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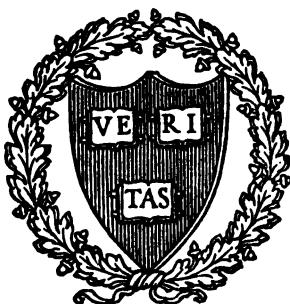
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H. H.

THE
STUDENT'S GUIDE
THROUGH THE
Theoretical Department

OF
EASTMAN NATIONAL BUSINESS COLLEGE.

EASTERN INSTITUTION,.....Poughkeepsie, N. Y.

H. G. EASTMAN, LL.D.

WESTERN INSTITUTION,.....Chicago, Ill.

E. P. EASTMAN.

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BOOK-KEEPING

FOR THE

THEORETICAL DEPARTMENT

OF

Castman National Business College.



THE SCIENCE SIMPLIFIED.

PRACTICAL EDUCATION.

IN this day and age, amid the light of the Nineteenth Century, it is beginning to be understood that a man to *succeed*, become eminent or a leader in his business or profession, must be practically educated. The good sense that is now pervading the minds of the American people on this subject, is evinced by the unprecedented patronage this College is enjoying from every section of the country, from Maine to California.

This Institution is not simply a school for the Merchant, but the Course is so arranged as to be of incalculable advantage to all classes of the community—the Farmer as well as the Merchant, the Lawyer as well as the Banker. The SCIENCE OF ACCOUNTS, which should enter largely into every man's education, and be taught in every male and female school, forms an important and interesting part of the course of study here.

This great system of Business Training, combining THEORY and PRACTICE, by means of certain Counting Room, Banking and Office Arrangements and Operations, which has contributed to such an extent in giving this College its wide-spread reputation, has now been secured to me by law, as *Author, Discoverer, and Proprietor*, through *Letters Patent of the United States*, bearing date September Sixth, One Thousand Eight Hundred and Sixty-four; and no other School or College is permitted to use it, or any part of it.

With the issuing of this Patent, there commences not only a new and important era in the history of this Business College, but in the educational interests of the whole country. It acknowledges improvement and advancement in a matter of far

more interest and importance to the world than any other, and encourages invention in that direction. The attention of the masses has long been directed to this College, and they have approved and applauded its energy in introducing and developing practical instruction. During the past year no Educational Institution in the land has kept pace with it in advancement, numbers, and popularity; and from this date its influence upon the nation will be more potent, from the fact of its being the only Commercial or Mercantile College, or Business School in the World, conducted on *Practical Philosophical principles.*

H. G. EASTMAN, LL.D.

TO THE STUDENT.

You are about to enter upon the most interesting and useful course of *Educational Training* that has ever been offered to the student of any age or country. Thousands have occupied these desks before you, and, with that fixed determination to *excel* that makes every thing possible, and which must now inspire you, have come out of their educational battle with the laurels that always crown victors, bearing on their *parchments* the record of "good and faithful students." As such they went out into the busy, bustling world to *succeed*, and to-day the cities, villages, and Departments of Government, all over the land, are feeling the power of their strong arms and cultivated brains, and not a few of them are numbered among our leading Bankers, Financiers, Merchants, Government Agents, and Business Men of every calling. These have gone before you as most worthy examples. Let their success and eminence inspire you with increased energy.

As you commence these studies, remember that they are worthy of your best energies, for nothing can be of more use to you than a thorough knowledge of the *Science of Accounts* and *Penmanship*. A good understanding of the principles laid down in the course here, and skill and energy in applying them in real business, will surely gain you influence and lucrative, honorable employment. This knowledge, with *Diligence*, *Perseverance*, *Fidelity*, and *Uncompromising Integrity*, will be your most valuable capital.

In this, the **THEORETICAL DEPARTMENT**, you will lay the foundation for your more extended and practical course of study in *Actual Business*. Cultivate here a legible, elegant, rapid style of Penmanship. Give this branch the attention its importance demands. A good, expeditious handwriting is one of the strongest elements of promotion and success, and carries with it an indisputable reference. If possible, join the extra class in Pen-

manship the day you enter the College, and if you are a poor writer, a few weeks in the Pen Drawing Department, after you finish Theory, or when you have completed the whole course, will be of incalculable advantage to you.

Make yourself familiar with the most concise and business-like forms of expression in recording your transactions, and in your correspondence.

Spell all words correctly. Pay the strictest attention to punctuality, neatness, accuracy, and order.

You will here learn the principles of Book-Keeping, and you may experience some little difficulties at first, but remember this Institution knows no such word as *fail*, and to become discouraged or grow faint-hearted is to acknowledge defeat. Unless you are possessed of some little *pluck* and *perseverance*, you can never be but *half a man*; and, depend it, if you fail to master the studies you came here to pursue, you are not worth your bringing up. It will require but a few days for you to become master of your situation, and from that time forward you will rejoice at the progress you are making, and that you are permitted to enjoy the advantages that surround you. Now is the time, (and not till now,) that you can give your friends at home an impartial opinion of the School, for even now you but just begin to understand its merits; and the more you know of it, the stronger will be the indorsement that you will give it.

BOOK-KEEPING.

BOOK-KEEPING is the science of recording transactions in business in such a manner that a clear and accurate statement of affairs is always shown. Every person and business needs the restraints imposed by keeping an exact account of receipts and disbursements; and, in this enlightened age, a day-laborer or mechanic even, and much more, a farmer, who is ignorant of the branch, would find a knowledge of it one of his best-paying investments. It not only promotes economy and real enterprise, but teaches *order*, *system*, and *management*, and diminishes temptation and dishonesty, lessens litigation, and enables persons at all times to know their pecuniary situations.

There are two methods of Book-Keeping—Single and Double Entry.

One is called Single Entry, because the amounts are recorded but once in the Leger. The other, Double Entry, from the fact that every business transaction recorded in the Day Book is entered twice in the Leger—once on the Debit and once on the Credit side. A more important distinction, and the main object of Double Entry, however, is in the fact that it shows where the Profits and Losses come from, therein furnishing a guide in the management of business. Each particular branch or interest of the business has its own accounts kept separately.

Debtor, or Dr., signifies that the person or thing made Dr., owes you.

Creditor, or Cr., signifies that you owe the person or thing made Cr.

The test of Double Entry Book-Keeping is the equality in debits and credits, or that every debit must have its credit, and every credit its debit.

This equality, however, does not always prove your work to be correct, for the wrong person or thing may be charged and yet the debits and credits of the work be equal. This seldom hap-

pens, and when you find the debits and credits of your books to be the same, you generally consider the work correct.

Accounts are classified under four distinct heads—Personal, Real, Speculative, and Fictitious.

A Real Account is one on which there can be neither gain nor loss, such as Cash, Bills Payable, Bills Receivable, Banks, Insurance Companies, Mortgage Receivable, Mortgage Payable, etc.

Personal Accounts are those kept with persons.

Speculative Accounts are those kept with that species of property on which you may gain or lose, such as Merchandise, Real Estate, Live Stock, Movable Property, Railway Stock, etc., etc.

Fictitious Accounts are those accounts to which you give a particular name, in order to deal with them separately, as, for example, Commission, Insurance, Storage, Store Expense, Interest, and Discount, etc.

The advantage in having such accounts is, that you may ascertain your gains or losses on each, and thus know which branch of your business has produced the greatest profit, so that larger investments may be made in that which has been the most productive and yielded the greatest per cent.

The principal books used are the Day Book, Cash Book, Journal, and Leger. The Auxiliaries are, the Invoice Book, Sales, Bill, Check, Pass, Inventory, Order, Receipt, Consignment, Letter, Parcel, Balance-Sheet Book, etc.

In the Day Book we record all business transactions in a neat and concise manner, in the order in which they occur. Make these records with care, that others may comprehend and fully understand the meaning of each entry. It being the book of original entry, no erasures are allowable; for with these, in a case of litigation, it would not be admitted into court as evidence.

The Journal is a book in which to arrange, in a more simple form, the accounts found in the Day Book, and to prepare them for the Leger. The science of Double Entry Book-Keeping is in making these Journal Entries.

In the Cash Book you enter all Cash received and paid out. The Dr., or left hand side, shows the amount of Cash received. The Cr., or right hand side, the amount paid out. Usually, the Cash Book is balanced every night, the balance showing the amount of Cash on hand.

The transactions, as they occur, are generally entered imme-

dately in this book. It being a book of original entry, the explanation should be plain and accurate.

The Dr. side, if either, of the Cash Book, always shows the greater sum, for on that side are your receipts, and you can not pay out more cash than you have received. The account is closed by deducting the amount paid out from the amount received, the difference being placed on the Cr. side *in red ink* "By Balance," that showing the amount of Cash on hand.

The Bill Book should give a description of all Notes or Acceptances in your favor, or against you, with their dates, when due, the amounts, and names of the parties. Those in your favor are entered under the head of "Receivable," and those against you "Payable."

The Sales Book should give a description of all Merchandise parted with; to whom, quality, quantity, and the price or rate. From this book we make out our bills.

The Leger is the general reservoir of all accounts and the index to the Merchant's business. It shows our Debtors and Creditors, and the result of our business with Persons and Things. The entries are principally made from the Journal, though sometimes from the Invoice, Cash, and Sales Books.

Besides the Books we have mentioned, there is the Check Book, in which to keep our standing with the Bank; the Order Book, in which to enter all orders given for goods, or any thing else; the Receipt Book, in which to enter all receipts for Cash or Merchandise, etc.; the Consignment Book, in which to keep an account of the Merchandise received and shipped to be sold on Adventure; the Letter Book, in which to copy the letters sent; the Parcel Book, in which to keep an account of Parcels of Merchandise sent, also when, and by whom, in order to avoid mistakes and to facilitate business; the Balance Sheet Book, in which to record Balance Sheets.

The different papers used in business are Bills, Invoices, Receipts, Due Bills, Insurance Policies, Agreements, Leases, Bonds and Mortgages, Inland and Foreign Bills of Exchange, Protests, Certificates of Deposit, Powers of Attorney, Certified Checks, Manifests, Caskets, Drafts, Releases, etc.

A Receipt is an acknowledgment in writing of having received a certain sum of money, or other valuable consideration.

A Check is an order on a Bank, or Banker, for money, payable to the bearer, or to his order.

A Certified Check is an order, certified to by the Bank, after which it is helden for the face of it.

A Draft is an order in the form of a request, usually payable at sight, or three, ten, twenty, or thirty days thereafter. A Draft at sight is considered Cash by the drawee and payee. There are three persons concerned, though often the same person acts both as drawer and payee: the drawer, or maker; the payee, or the one in whose favor it is drawn; the drawee, or the one who is obligated to pay it, or, in other words, the one who accepts it by writing his name and the date across the face in *red ink*. Drafts are generally used to make remittances. (A more extended account of this paper will be found elsewhere.)

A Bill of Exchange is a written order or request, addressed by one person to another, desiring him to pay a sum of money to a third, or to any other to whom the third person shall order it to be paid, unless it be made payable to bearer. Exchanges are of two kinds—Foreign and Inland.

A bill is called *foreign* when drawn by a person in one Country upon one in another, and *inland* when both drawer and drawee reside in the same Country. Foreign Bills are generally drawn in sets; that is, several copies of the bill are made, each one containing a condition that it shall continue payable only so long as the others remain unpaid. Whenever any one of a set is paid, the others are void, for the whole constitute but one bill. The object in thus drawing them in sets is, that they may be sent at different dates, or by separate conveyances, that time may be saved should one or more be lost.

A Certificate of Deposit is a receipt, or statement, given by a Bank or Banker, for money deposited. It is used in making remittances.

A Protest is a notice from a Notary Public to indorser of a Note or other Business Paper, that said paper was not paid when due, and that the holders look to him for the payment thereof.

A Bond is a legal instrument by which the giver binds himself to do, perform, or fill a certain contract by a stated time, When in your favor, it is called a Bond Receivable, and when against you, a Bond Payable.

A Mortgage is a pledge of property, either real or personal, by a debtor to a creditor, as security for debt.

A Bill of Lading is a receipt given by the Captain or Master

of a vessel to the shipper of Merchandise. There are usually two used, that one may be given to the shipper and one to the consignee, informing him of the shipment and acting as a receipt or contract for the delivery of the goods.

A Manifest is an invoice or list of the cargo of a ship, with the mark, number, or description of each article or package, to be exhibited at the Custom-House.

A Cocket is a Certificate, sealed and delivered, by the officers of Customs, as a warrant that goods have been entered for exportation.

Bills Payable is a name given to your written obligation or promise to pay, and by which you keep an account with all your own notes. It is credited when you issue or part with your own note, or accept a time draft, and debited when you receive or redeem the same. The credit side of Bills Payable account in the Leger shows the amount of your own notes issued or parted with. The Debtor side shows the amount of your notes taken up or redeemed. The account is closed "To Balance." That balance signifies the amount of your notes held by other parties, and is a liability.

Bills Receivable is a name given to the written obligations, or promises to pay, you may hold against other parties. It is debited for all notes received, because they owe you for the sums for which drawn. It is credited when these notes are redeemed, they having produced you value for the amount for which they were drawn. It is a Real Account, and is closed "By Balance." The balance is an asset, and shows the amount of Bills Receivable still in your possession unpaid.

Insurance is security against loss. It is of three kinds—Fire, Marine, and Life. The first is effected on fixed property, as houses and their contents; the second on that transported by water or railroad; the third secures a specified sum to one person upon the death of another.

The *Policy* is the written contract between the *insurer* and the *insured*.

The persons guaranteeing against loss are called *underwriters*, or *insurers*. If an individual insures, it is called *out-door* insurance.

Premium is the amount paid for Insurance, and is generally a certain per cent of the value of the property insured. This rate per cent is called the *rate of Insurance*.

An Open Policy of Insurance is larger than the common, on which the entries are made from time to time. A note is usually given to the Insurance Company for a certain amount of premiums. Open Policies are usually taken out by parties who are accustomed to make frequent and heavy shipments, and in place of getting out a Policy for each shipment, an open one is taken, in which the entries are made. When the note becomes due, the amount of premiums is ascertained and deducted from the amount paid for the note; the balance is returned to the holder of the Policy. It is customary in insuring shipments to insure for a small per cent more than the cost of the goods at the place of shipping.

COMMERCIAL ABBREVIATIONS.

The following are the Abbreviations used in this Work, and those commonly used in Business:

Acct. Account.	Consgt. Consignment.	L. B. Letter Book.
Acc'nt. Accountant.	Cwt. Hundred Weight.	L. F. Leger Folio.
Amt. Amount.	Chgd. Charged.	L. & G. Loss and Gain.
Agmnt. Agreement.	Cr. Creditor.	Mdse. Merchandise.
Bbls. Barrels.	Ckt. Cocket.	Mftg. Manufacturing.
Bot. Bought.	Cts. Cents.	Man. Manifest.
Brot. Brought.	D. Pence.	O. I. B. Outward Invoice Book.
B. Ex. Bill of Exchange.	Dr. Debtor.	O. L. Old Leger.
B. En. Bill of Entry.	D. B. Day Book.	O. B. Order Book.
B. L. Bill of Lading.	Dft. Draft.	P. C. B. Petty Cash Book.
Bal. Balance.	Do. The Same.	Pd. Paid.
B. P. B. Bank Pass Book.	Du. B. Due Bill.	Per. By.
B. B. Bill Book.	E. E. Errors Excepted.	P. B. Parcel Book.
B. S. B. Balance-Sheet Book.	Exch. Exchange.	Prem. Premium.
B. Rec. Bills Receivable.	Exp. Expense.	Pkg. Package.
B. Pay. Bills Payable.	Entd. Entered.	Ps. Pieces.
Bd. Pay. Bond Payable.	Fol. Folio.	P. A. Power of Attorney.
Ch. B. Check Book.	For'd. Forward.	Pol. Policy.
Ck. Check.	Frt. Freight.	Reed. Received.
Cap. Capital.	F. B. E. Foreign Bill of Exchange.	Reble. Receivable.
Certf. Certificate.	Gen. L. General Leger.	Rect. Receipt.
C. B. Cash Book.	Hhd. Hogshead.	R. B. Receipt Book.
C. D. Certificate of Deposit.	I. B. Invoice Book.	S. B. Sales Book.
C. O. D. Collect on Delivery.	Invty. B. Inventory Book.	Shipt. Shipment.
Co. Company.	Inv. Invoice.	. Sundries.
Consgt. B. Consignment Book.	Int. Interest.	T. Ton.
	Ins. Insurance.	T. B. Trial Balance.
	Leg. Leger.	Ult. Ultimo.

Characters and Signs used in this Work and in Business.

@ At.	acct. Account.
% Per Cent.	¢ Cent.
✓ Check Mark.	\$ Dollars.
# Number.	£ Pounds.
" [Ditto] The Same.	lb. Pounds.

Model Day Book.

Examine this Form, noting closely the Wording and Arrangement of each entry.

The Journal from this Day Book will be found on page 33.



1 January, 1866.

Leased of E. White, the Store No. 325 Main street, Poughkeepsie, N. Y., for the purpose of conducting the Dry Goods and Shipping Business, at \$300 per year,	300
Capital invested on commencing, Cash,	1000
Bought of D. C. Hammett, for Cash, Mdse., invoiced at	200
Sold Geo. F. Davis, for Cash, Mdse., invoiced at	150
Bought of N. L. Gage, on acct. at 30 days, Mdse. as per bill,	500
Deposited in Bank of Commerce, Cash,	200
Sold G. S. Hulbert, on acct., at 3 months, Mdse. amounting to	400
Paid Cash for one ton of coal and repairing store,	40
Bought of C. C. Eastman, for Check on Bank of Commerce, Mdse. as per bill,	175 50
Sold James Lowe, for his Note at 90 days, Mdse. amounting to	80
Engaged A. B. Cole, as Accountant, at \$10 pr week. Also F. J. Smith, as Clerk and Salesman, at \$8 "	
Bought of E. J. Wilber, for my Note at 90 days, Mdse. as per bill.	100
Sold to E. P. Eastman, for his draft at 10 days' sight on A. Reed, Mdse. amounting to	240 50
Accepted N. L. Gage's Draft at 10 days' sight, fa- vor F. L. Bardeen,	180

* First page of Day Book.

19 January, 1866.

	Gave my Note at 30 days' to E. College Insurance Co., for premium on my stock of Mdse., amount of Note,		30
20			
	Bought of G. P. Clough, for my draft at sight on G. S. Hulbert, Mdse. as per bill;		124.40
21			
	Shipped pr H. R. R. R., and consigned to W. G. Warner, N. Y. City, to be sold on my acct. and risk, 50 bbls. medium Flour, @ \$10, 30 " Ashton Salt @ \$4, Paid freight by my note,	500 120 20	640
22			
	Paid G. M. Wilber for interest on my Note, Cash,		6
23			
	Received of P. G. Eastman, from Cleveland, Ohio, to be sold on his acct. and risk, 50 bbls. Extra Superfine Flour @ \$10 \$500 18 " XX A " @ 10 180 Paid freight in cash,		20
24			
	Purchased of G. F. Davis, house and lot, No. 56 Academy street, valued at		600
25			
	Sold E. J. Wilber, P. G. Eastman's cons'gt, for Received in payment my Note his favor, Cash, The balance on two months' time,	100 300 400	800
27			
	Gave J. T. Reynolds my draft at 60 days' sight on E. J. Wilber, for		200
29			
	Received from M. E. Luce, Painesville, Ohio, to be sold on joint acct. and risk, ea. one half, 200 bushels wheat, @ \$2 \$400 200 " oats, @ \$1 200 Paid freight in cash, My one-half invoice,	40 300	340

1. February, 1866.

Rendered P. G. Eastman an acct. sales of his consignment from Cleveland, Ohio,			
Total sales,	\$800		
Charges paid and already posted,	20		
My com. @ 2½ per cent on total sales,			
P. G. Eastman's net proceeds,	760	780	
2			
Sold E. P. Eastman, on acct., 200 bus. W. Wheat, belonging to Mdse. Co. "A," @ \$2 50		500	
3			
Assumed 100 bus. oats belonging to Mdse. Co. "A," @ \$1 50,		150	
4			
Shipped R. S. Barnes, J. M. Ware, and P. G. Eastman, Cleveland, Ohio, to be sold on joint acct. and risk, each equally interested,			
Mdse, invoiced at	800		
Paid Freight with Jas. Lowe's Note, my favor,	80	880	
6			
Sold the remainder of Mdse. Co. "A,"			
100 bu. Oats, @ \$2,		200	
To Joseph Wood, rec'd in payment, Cash,			
G. S. Hulbert's draft on us, his favor,	100	100	
8			
Received from W. G. Warner, N. Y. City, an acct. of sales of Mdse, shipped him 21st ult., to be sold on my acct. and risk,			
Total sales,	\$800		
Cartage and storage,	\$10 30		
His com. at 2½ per cent,	20		
Net proceeds in my favor,		770	
10			
Closed Mdse. Co. "A," from Painesville, Ohio, and rendered an acct. sales,			
Total sales,	\$850		
Charges already posted,	40		
My com. at 2½ per cent,			
M. E. Luce's net proceeds,	895		
My gain,	95	510	
12			
Received per Steamer Magenta, from T. F. Noble, Erie, Pa., to be sold on joint acct. and risk of shipper, S. E. Hall, J. T. Reynolds, and myself, each one fourth,			
Mdse, invoiced at	\$800		
Paid Insurance in Cash,	10		
Freight on acct.,	20		
My one-fourth invoice,	200	230	

13 February, 1886.

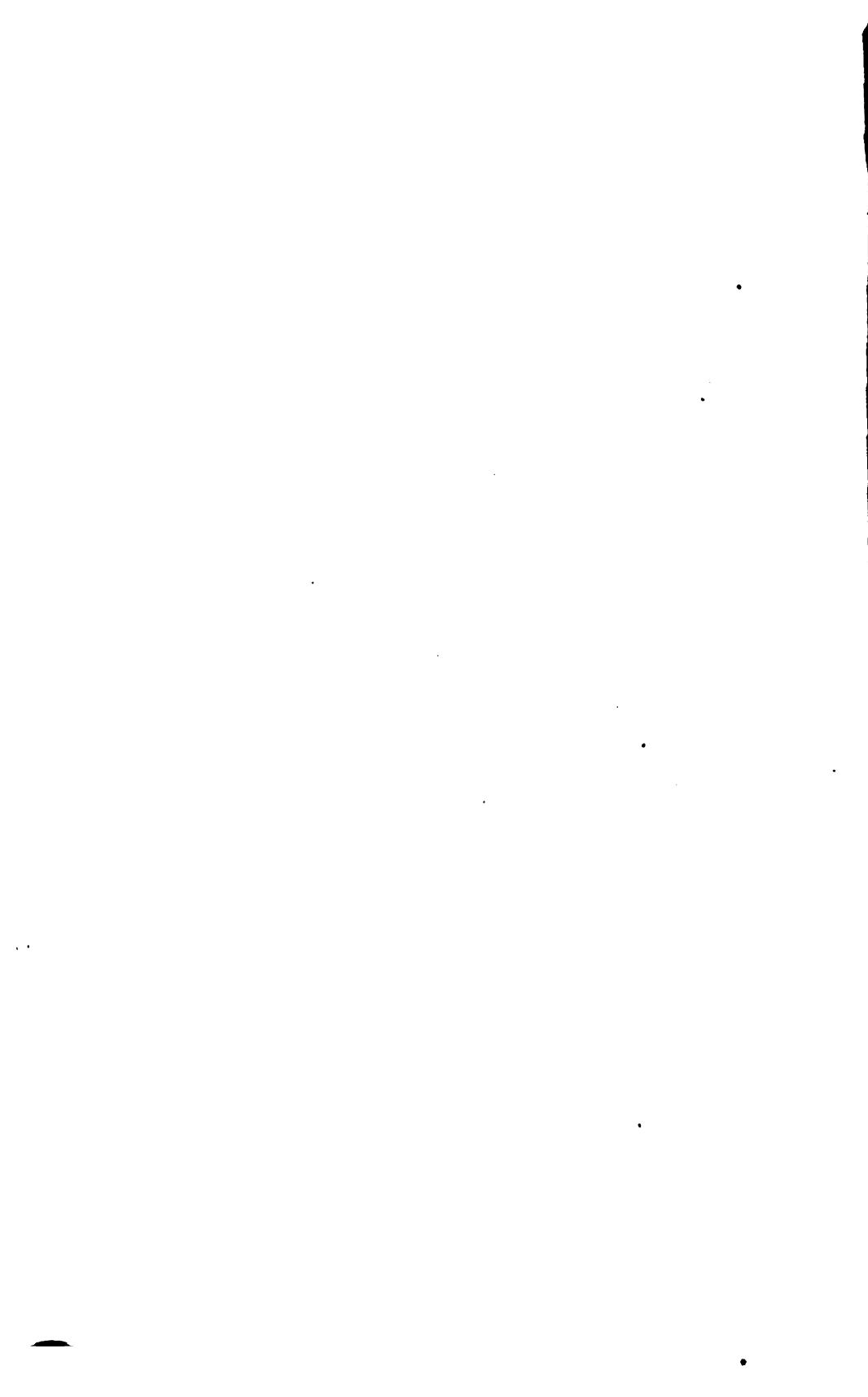
PRINCIPLES.

- 1. Those persons are debtors that owe us.**
- 2. Those persons are creditors that we owe.**
- 3. There is no value to any transaction that does not give rise to a debtor or creditor.**

RULE FOR JOURNALIZING.

DEBIT WHATEVER COSTS VALUE,
OR THE THING RECEIVED.

CREDIT WHATEVER PRODUCES VALUE,
OR THE THING PARTED WITH.



Consignments, Adventures, Adventure Co's, Merchandise Co's, Etc.

Any person having goods which he can not dispose of to advantage at home often sends them to some other merchant doing business in another place, and by this means frequently finding a better market. These transactions give rise to Consignments, Adventures, Adventure Co's, Merchandise Co's, Etc.

Adventure is a *fictitious name* given to Mdse., or other property shipped by you to be sold on your account and risk. The name itself implies risk, and when shipping goods, you apply this term in order that you may know what a certain kind of Mdse. costs and produces you.

It is made Dr., when the goods are shipped, for their full value and for all costs ; it is credited by its net proceeds, when the Account Sales is received, by making the Person to whom the goods were shipped, or whatever he has remitted you in payment for it, Dr. to the Adventure. After posting to the Leger, it is closed to or by Loss and Gain, if an Account Sales has been received. If not, it is closed by Balance Inventory for what it was invoiced at when the shipment was made.

Consignor is a name given to the shipper of goods or other property, or the one who makes the Consignment.

Consignee is the person to whom the goods are shipped.

Consignment is a name by which you keep an account of goods or other property received by you to be sold on account and risk of the shipper or shippers. It is *debited* for all charges paid by you when received, or for all costs accruing on the same, and *credited* for all its incomes and sales. It is closed by making it Dr. to your commission and to the consignor for his net proceeds, or whatever you may remit to him. When posted in the Leger, the account will balance.

Adventure Co. represents *your interest* in Mdse. or other property shipped by you to be sold on joint account and risk of yourself and other parties ; or it may represent your interest where you receive intelligence that other parties have shipped to a third party, and that you are interested.

It is made Dr. for your interest and share of the costs in the speculation when the shipment is made : is *credited* with all incomes, and, after being posted to the Leger, closed to, or by, Loss and Gain. Should you wish to close the Leger before an

Account Sales has been received, credit Adventure Co. by Bal. Inventory for the amount it cost you at shipping.

The title Mdse. Co. is a fictitious name given to goods or other property which has been received *by you* to be sold on joint account and risk.

It is made Dr. to the shipper, when received, for only your interest, and the charges incurred on the full shipment. The shipper should be Cr. because we owe him for our share in the goods the same as though bought of him on account. We give the Goods or Mdse. the fictitious name Mdse. Co., in order to distinguish the investment from any other, also to know our gains and losses on the same.

In selling goods that have been received to be sold on joint account, you give Mdse. Co. credit for all sales.

In closing a Mdse. Co., you deduct total charges from total sales. This leaves net proceeds in favor of all parties, because you have sold all, or part of the goods, and each one has shared his part of the charges incurred.

Now, having in your possession the shipper's money, he should be credited for it. In closing Mdse. Co., it must be made Dr. to Commission, to the shipper or shippers for their net proceeds, to all charges which have not been posted, and to Loss and Gain, if a gaining operation; if a losing one, Loss and Gain is made Dr. to Mdse. Co. for your loss. Should the goods at closing be but partially sold, then Mdse. Co. should be Cr. by inventory only for your share of the Mdse. remaining on hand, the remainder belonging to the shipper or shippers.

Commission is always made Dr. when you pay Commission, and Cr. when you receive it. Interest is made Dr. when you pay interest, and Cr. when you receive it. Insurance is Dr. when you pay insurance.

Whenever a Draft, or Bill of Exchange, is accepted by you, make the drawer Dr. to Bills Payable.

Private Account is Dr. for all Personal and Family expenses.

Loss and Gain is Dr. for all Losses, and Cr. for all Gains.

Assets are the property or effects belonging to a merchant or trader.

Liabilities are the debts which he owes.

Capital is money, or other property, invested in any business, company, or institution.

The Amount of Capital is difference between the Assets and Liabilities.

ELUCIDATIONS TO DAY BOOK OF MODEL SET.

THE Day Book transactions in the model having been carefully studied and the Rule for Journalizing properly understood, you will notice the following elucidations and *practical* applications of *Debiting what costs value, or the thing received, and Crediting what produces value, or the thing parted with.*

The above Rule will be your guide in solving the problems of Double Entry Book-keeping, which deals with Persons and Things alike.

On commencing Business, or Opening a Set of Books, all articles on hand and persons owing you, should be made Dr., crediting all your obligations, or persons to whom you are indebted. The difference between the amount invested, and what you are obligated for, must be your net capital.

In place of using your name and having it appear upon your Books as one of the prominent accounts, we use the term Stock, to more clearly define your investment. That being your representative in business, should be credited for the capital invested, and made Dr. for all your obligations, or what you owe. Each person or thing is Cr. for the amount of the obligation, or what you owe them.

January 1st.

You have now commenced the Dry Goods and Shipping Business at No. 325 Main st., Poughkeepsie, N. Y., where the transactions of this set will be conducted. The various incidental expenses of the Store, such as rent, fixtures, repairing, fuel, etc., form a branch of your business, and are classified under the head of Store Expense.

Your books are now opened by making a statement of the

amount to be invested, which is a cash capital of \$1000, and cash must be made Dr. for the amount; Stock, your representative in the business, being made Cr. The word Stock is a fictitious name given to your investment when in business alone. It is always credited for all amounts invested, and debited for all amounts drawn out of the business.

A more detailed account of this will be found under the order of closing accounts.

As you journalize, place the page of the Day Book, from which the entry was taken, opposite the first debit in the Journal.

JANUARY 2.—Merchandise is the thing received, or what has cost value, and is therefore made Dr. Cash is credited, it being the thing parted with, or what has produced value.

JANUARY 3.—This entry is the reverse of the one preceding it. Cash costing value is Dr., and Merchandise producing value is Cr.

JANUARY 5.—Mdse. being the thing received, and having cost you value, is Dr. N. L. Gage, who has produced the value, or income, being Cr.

JANUARY 7.—In Theory, you keep your Bank Account in the Day Book and carry from thence to the Journal, making the Bank Dr. for all money or valuables deposited, and Cr. for all you draw, or check out. In this case, having deposited in the Bank Cash, you make the Bank Dr.

JANUARY 8.—G. S. Hulbert is made Dr. in this transaction, because he owes you, having cost you the value in Mdse. Mdse. being the thing parted with is, therefore, Cr.

JANUARY 10.—This is one of the many expenses of the Store which you charge to Store Expense, giving Cash Cr.

JANUARY 11.—Mdse. being the thing received, or what has cost you value, is Dr. Having drawn from the Bank, it has produced you value, and is, therefore, Cr.

James Lowe's written obligation, or promise to pay, is a Bill Receivable, which has cost you value to the amount for which it is drawn, and you make it Dr. Mdse. is Cr., it being the thing parted with, or what has produced you value.

JANUARY 14.—This is a simple memorandum. There being no value parted with, or received, it needs no Journal entry.

JANUARY 15.—Mdse. being the thing received, and having cost you value, is Dr. Having given for same, or parted with, your written obligation, Bills Payable is Cr.

JANUARY 16.—A Time Draft, when received, is called Bills Receivable, and is debited for the amount for which it is drawn. You Cr. Mdse., the thing parted with, for what it has produced you.

JANUARY 18.—When you accept a Time Draft, you Dr. the drawer to Bills Payable. To draw on you is to order you to pay, while your accepting is agreeing to do so at the maturity of the paper. You accept a Draft by writting your name and the date of acceptance across its face in *red ink*.

JANUARY 19.—When you have property insured, you open an account with Insurance, debiting it for all it costs you, and Cr. whatever you give in payment.

JANUARY 20.—In this case, Mdse. is Dr. to Mr. Hulbert. Always credit the person on whom you draw, whether at sight or time.

JANUARY 21.—In shipping goods to be sold on your own account and risk, you may make Adventure, to whom the goods are shipped, Dr. for all its costs at shipping, and Cr. Mdse.; also charges, if you pay them.

JANUARY 22.—Interest, having cost you value, (amount paid Mr. Wilber,) is made Dr.; and Cash, the thing parted with, or what has produced you value, given Cr.

JANUARY 23.—The title Consignment is given to the goods Mr. Eastman has sent you to be sold on his account and risk, and is made Dr. only for the amount it has cost you for freight. You give Cash Cr., it having produced value. (Do not understand now that Mr. E. should be Cr. for the value of the Consignment, for the goods are still his. You are merely acting as his Agent.) When the goods are sold, charges will be deducted and an account of sales rendered, then you will owe him for the net proceeds.

JANUARY 24.—You now open a Real Estate Account, making it Dr. to Mr. Davis for the value of the house and lot.

JANUARY 25.—The goods belonging to Eastman's Consignment having been sold, you give it Cr. by your Note, (Bills Payable,) Cash, and E. J. Wilber, Mr. Wilber being made Dr. for the amount that is on two months' time.

JANUARY 27.—Being the drawer of the Draft, you make Mr. Reynolds, the payee, Dr. to Mr. Wilber, the drawee. Mr. Wilber, your debtor, being, as in this case, given Cr. when you draw upon him.

JANUARY 29.—The goods have cost you value for only one half of the amount received. Hence Mdse. Co., representing your interest, is made Dr. for your share, and all charges incurred on same. Mr. Luce, (whom you owe for your share,) and Cash, (amount paid for freight,) is given Cr.

FEBRUARY 1.—In closing this account, you Dr. Eastman's Consignment to Eastman for the amount of his net proceeds, which are total sales minus total charges, and to Commission for your Commission.

FEBRUARY 2.—A part of the goods belonging to Mdse. Co. "A" having been sold to Mr. E. on account, you Dr. him to the Mdse. Co. for the amount of his purchase, he costing you value, and Mdse. Co. producing value.

FEBRUARY 3.—In taking to your account 100 bushels oats, you Dr. Mdse., the thing received, and give Mdse. Co. Cr. the same as though the goods belonging thereto had been sold to other parties.

FEBRUARY 4.—Adventure Co., representing your interest, you make it Dr. for your share in the speculation, you also Dr. Messrs. Barnes, Ware, and Eastman, because they owe you, and give Mdse. and Mr. Lowe's Note in your favor (Bills Receivable) Cr.

FEBRUARY 6.—In this entry you find the closing sale of Mdse. Co. "A." You Dr. Cash, the thing received, and what has cost you value. The draft which Mr. Hulbert has drawn on you in favor of Wood has not been seen before, and in place of accepting it and making Mr. Hulbert Dr. to Bills Payable, you pay it at sight by transferring to Mr. Wood a part of Mdse. Co. "A." Now, as Mr. Hulbert is the drawer, you Dr. him, crediting the thing or article parted with, which is Mdse. Co. "A."

FEBRUARY 8.—You have received from Mr. Warner an account sales, stating that he has sold the Mdse. you shipped him on the 21st inst., and that the net proceeds in your favor can be drawn at any time. When those goods were shipped, it was through the fictitious name Adventure, which you made Dr. for the Mdse. and freight paid at shipping. Now that those goods are sold and Mr. Warner still holds the proceeds, you Dr. him and Cr. the Adventure.

FEBRUARY 10.—In closing a Mdse. Co., and making the account of sales entry, you first find what all the sales amount to, then the total charges, then by deducting the total charges from total sales, you have left net proceeds.

As in this case :

Sales,.....	\$850 00
Charges already posted,.....	\$40 00
Your commission,.....	20 00
	<hr/>
You find the net proceeds,.....	\$790 00
Mr. Luce's " "	395 00
Your " "	395 00
First cost of your Invoice,.....	300 00
Which, being deducted from what it produced, leaves your gain,.....	\$95

Now, having the problem solved, you make your closing journal entry by debiting Mdse. Co. to Mr. Luce for his net proceeds, (you still retain them,) also to Commission for your Commission, and to Loss and Gain for your gain.

FEBRUARY 12.—This being the second amount of goods which you have received to sell on joint account, you give them the title Mdse. Co. "B." Mr. Noble being the shipper, you must give him Cr. for your one fourth interest in the speculation the same as though it were a simple purchase on acct. Now, having interested with you two other parties whose goods are in your possession, you acting merely as their Agent to sell for them, you do not give them Cr. until their goods are sold. Cash is Cr. for the amount you paid for Insurance. The goods being received by Steamer Magenta, and the freight being unpaid, you open an account with the Steamer, giving it Cr.

FEBRUARY 13.—Seemingly there would be no journal entry; yet taking into consideration that Mr. Dayton has shipped these goods, and that you are interested in them for one third, for which you have been debited, you should make an entry to correspond with his. Finding it a risk, on your part, you give it the name Adventure Co. "B," it being the second speculation of the kind, and make it Dr. for your interest.

FEBRUARY 14.—In this entry, similar to selling Mdse. Co. "A," you Dr. Cash and Mortgage Receivable, giving Mdse. Co. "B" Cr.

FEBRUARY 15.—In closing this entry, we find :

Total sales,.....	\$760 00
Charges already posted,.....	\$30 00
Storage,.....	10 00
Your commission, at 3 per cent,.....	22 80
	<hr/>
Total proceeds,.....	697 20

T. F. Noble, net proceeds,.....	\$174 80
S. E. Hall, " "	174 80
J. T. Reynolds, "	174 80
Your one fourth invoice,.....	\$200 00
Your net proceeds being deducted,.....	174 80
Leaves your loss,.....	<u>\$25 70</u>

Of course the loss of each of the other parties must be the same, as you are equally interested in the speculation. Retaining in your possession their net proceeds, you make Mdse. Co. Dr. to them, to Commission, and to Storage. Having found your loss to be \$25.70, you make Loss and Gain Dr. for the amount, giving Mdse. Co., which has produced it, Cr.

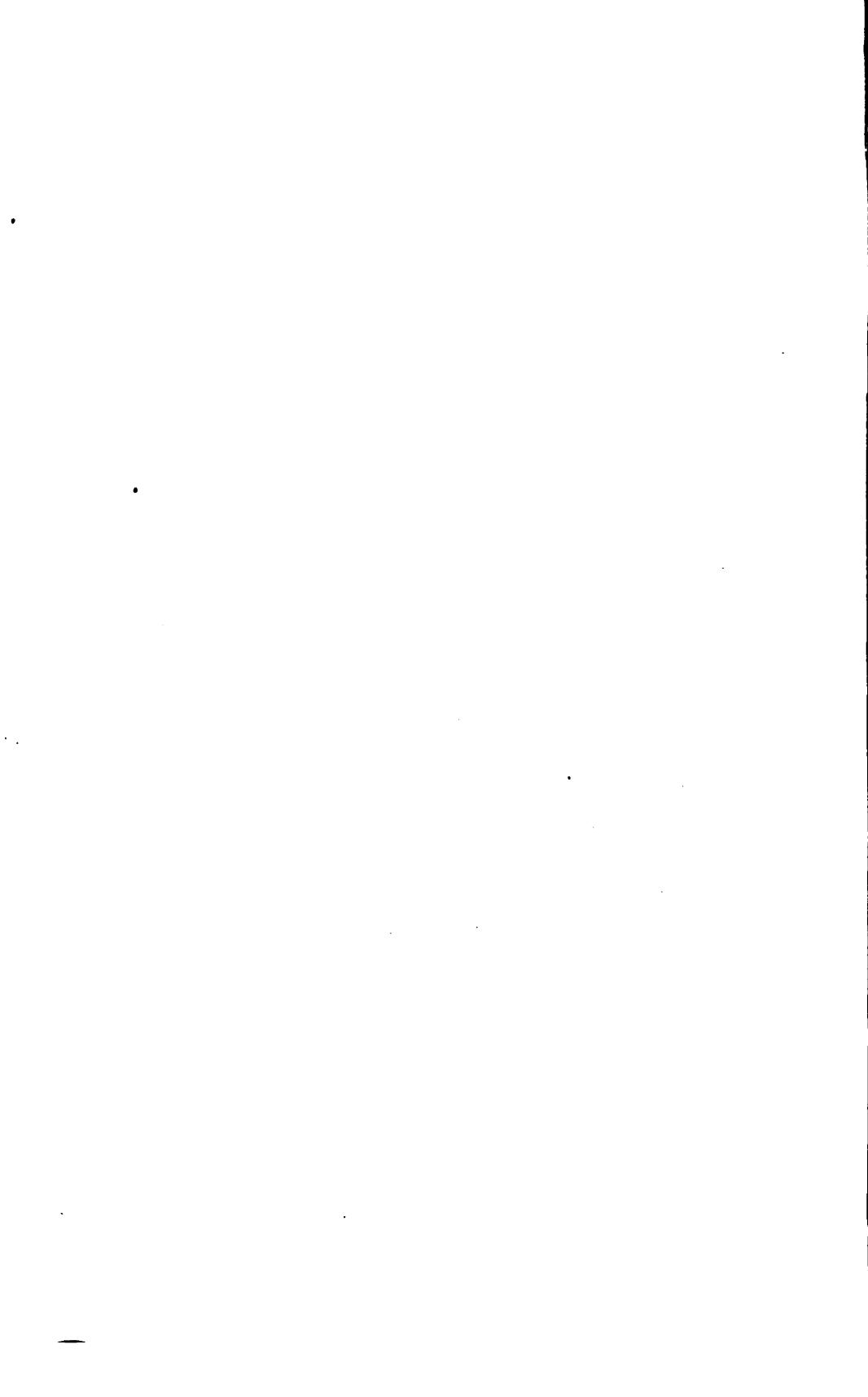
You find that there is due Messrs. Cole & Smith, for services rendered to date, \$70, with which they must be credited. So you open a Salary acct., debiting it to them.

FEBRUARY 16.—There is due E. White for Store rent, \$38.33. Store Expense having cost value, make it Dr. ; as we owe this to Mr. White, give him Cr.

Model Journal.

Study carefully the Rule for Journalizing, as illustrated in the Journal on page 33. Go no farther until you thoroughly understand every example.

The Leger from this Journal will be found on Page 41.



1 January, 1866.

348	Cash,	To Stock,	1000	1000
		2		
348	Mdse.,	To Cash,	200	200
		3		
348	Cash,	To Mdse.,	150	150
		5		
348	Mdse.,	To N. L. Gage,	500	500
		7		
348	Bank of Commerce,	To Cash,	200	200
		8		
348	G. S. Hulbut,	To Mdse.,	400	400
		10		
348	Store Expense,	To Cash,	40	40
		11		
348	Mdse.,	To Bank of Commerce,	175 50	175 50
		12		
348	Bills Receivable,	To Mdse.,	80	80
		15		
348	Mdse.,	To Bills Payable,	100	100
		16		
348	Bills Receivable,	To Mdse.,	240 50	240 50
		18		
348	N. L. Gage,	To Bills Payable,	180	180
		19		
348	Insurance,	To Bills Payable,	80	80
			3296	3296
			=	=

* First page of Journal.

20 January, 1866.

349	Mdse., To G. S. Hulbert,	124 40	124 40
	21		
349	Adv. to W. G. Warner, To Mdse., Bills Payable,	640	620 20
	22		
349	Interest and Discount, To Cash,	6	6
	23		
349	P. G. Eastman's Consgt., To Cash,	20	20
	24		
349	Real Estate, To G. F. Davis,	600	600
	25		
349	Bills Payable, Cash, E. J. Wilber, To P. G. Eastman's Con.,	100 800 400	800
	27		
349	J. T. Reynolds, To E. J. Wilber,	200	200
	29		
349	Mdse. Co. A., To M. E. Luce, Cash,	340	300 40
	1 Feb.		
349	P. G. Eastman's Consgt., To Commissions, " P. G. Eastman,	780	20 760
	2		
349	E. P. Eastman, To Mdse. Co. A.,	500	500
	"		
349	Mdse., To Mdse. Co. A.,	150	150
		4160 40	4160 40
		=	=

4 February, 1866.

350	Adv. Co. A., R. S. Barnes, J. M. Ware, P. G. Eastman,	220 220 220 220		
	To Mdse., Bills Receivable,	800 80		
	6			
350	Cash, G. S. Hulbert,	100 100	200	
	To Mdse. Co. A.,			
	8			
350	W. G. Warner,	770	770	
	To Adv. W. G. Warner,			
	10			
350	Mdse. Co. A.,	510	20 395 95	
	To Commission, M. E. Luce, Loss and Gain,			
	12			
350	Mdse. Co. B.,	230	200 10 20	
	To T. F. Noble, Cash, Steamer Magenta,			
	13			
350	Adv. Co. B.,	200	200	
	To Frank Dayton,			
	14			
350	Cash, Mortgage Receivable,	400 360	760	
	To Mdse. C& B.,			
	15			
351	Mdse. Co. B., Loss and Gain,	555 25 70	22 10 174 174 174 25 80	
	To Commission, Storage, T. F. Noble, S. E. Hall, J. T. Reynolds, Mdse. Co. B.,			
		4181 40	4181 40	
		====	====	

16 February, 1866.

351	Salary Account, To A. B. Cole, " F. J. Smith,	72	40 32
351	Store Expense, To E. White,	88 88	88 88
		110 88	110 88

L E G E R .

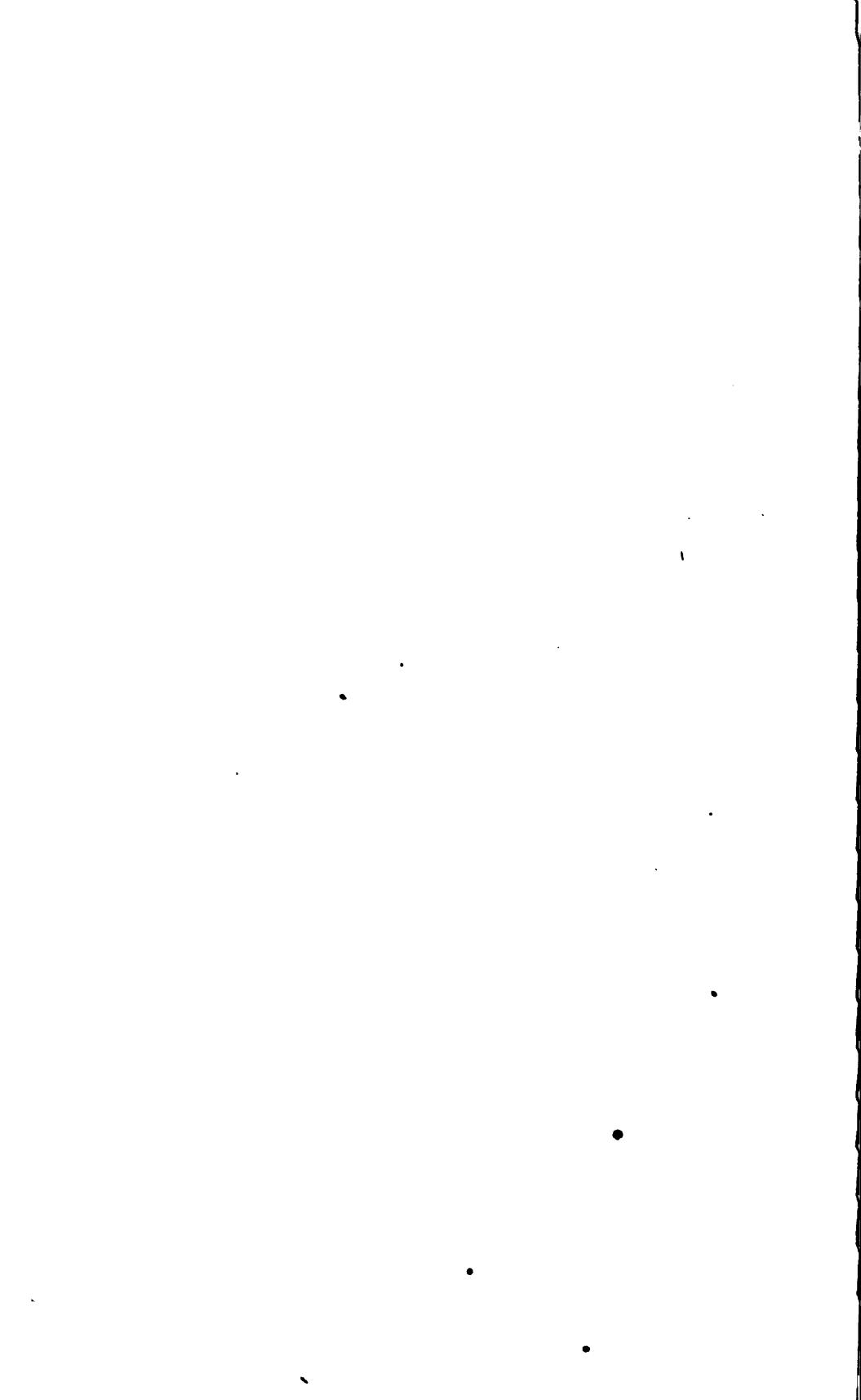
You have now accomplished the most difficult part of your task, the problems having been solved, and for each Debit there having been found a corresponding Credit. This, in the main, is the SCIENCE of Double-Entry Book-Keeping, the remaining part being considered as a mechanical operation. The Journal items having been prepared, you will now carry them to the Leger, or *post* them.

P O S T I N G .

POSTING is simply carrying from the Journal to the Leger, under their respective headings, the different accounts. Each different account found in the Journal must have a heading in the Leger, carrying to that account all for which it is Debited or Credited.

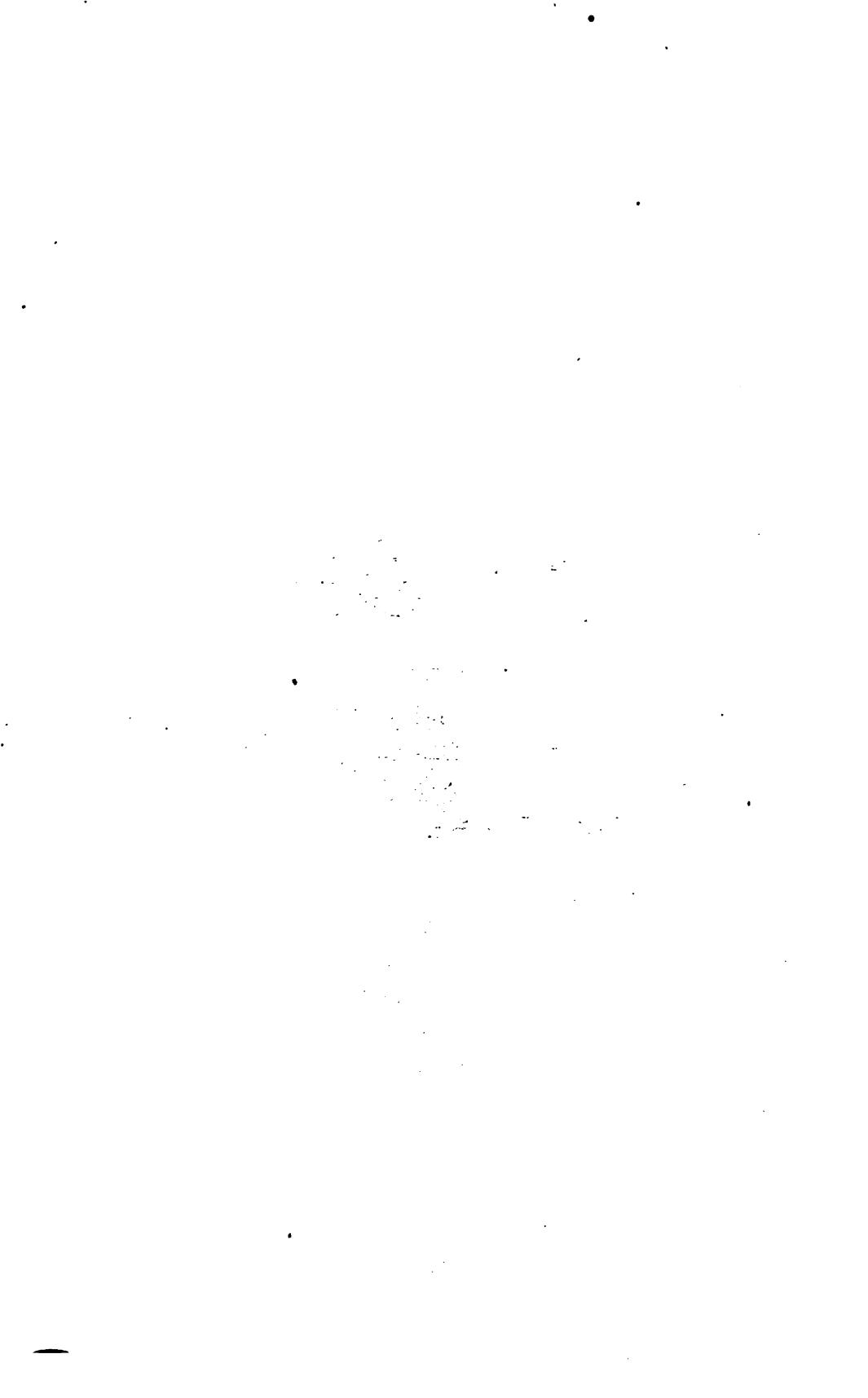
The Leger is usually opened by placing Stock or the Partners' names at the beginning, followed by the most prominent accounts, such as Cash, Mdse., Bills Payable, Bills Receivable, etc. Now, under each of these, you place all the items that belong to them found in the Journal, transferring the accounts from the Journal to the Leger in the order they occur. You first turn to Cash Account, and on the Dr. side place the words "To Stock." This signifies Cash is Dr. to Stock. In the Folio column of the Leger you place the Journal page. Now, on the Cr. side of Stock you say "By Cash," signifying that Stock is credited by Cash, and carry in Journal Folio. In the Journal you place a check-mark against each item at foot as posted.

Second, Store Expense. On the Dr. side you say, "To E. White." Now if Store Expense is *Dr. to Mr. White*, he must be *Cr. by Store Expense*. Thus you find in the Leger, as in the Journal, for each debit there is a corresponding credit.



Model Leger.

*Understand the form of, and process by which this
Leger is opened and kept. Trace each posting from the
Journal to it, and then from the Leger tell what were both
Journal and Day-Book entries.*



<i>Dr.</i>	(Liabilities.)	<i>Stock.</i>	(Resources.)	<i>Cr.</i>
1866. Feb. 16	To Balance.†	2276 37 — 2276 37	1866. Jan. 16 Feb. 16	By Cash, " Loss and Gain, 142 1000 238 1276 37 — 2276 37

(Received.)				<i>Cash.</i>	(Paid Out.)			
1866. Jan. 1	To Stock,	142 1000	1866. Jan. 2	By Mdse., " B'k of Commerce	142 200			
8	" Mdse.,	142 150	7	" Store Expense,	142 40			
25	" Eastman's Cons't	143 800	10	" Int. and Dis.,	143 6			
Feb. 6	" Mdse. Co. A.,	144 100	22	" Eastman's Cons't	143 20			
14	" Mdse. Co. B.,	145 400	23	" Mdse. Co. A.,	144 40			
		1950	29	" Mdse. Co. B.,	145 10			
			12	" Balance,†	1834			
			16		1950			

(Cost.)				<i>Merchandise.</i>	(Produced.)			
1866. Jan. 2	To Cash,	142 200	1866. Jan. 8	By Cash, " G. S. Hulbert,	142 150			
5	" N. L. Gage,	142 500	8	" Bills Receivable,	142 400			
11	" B'k of Commerce	142 175 50	12	" Bills Receivable,	142 80			
15	" Bills Payable,	143 100	16	" Bills Receivable,	143 240 50			
20	" G. S. Hulbert,	143 124 40	20	" Adv. to Warner,	143 620			
Feb. 8	" Mdse. Co. A.,	144 159	Feb. 4	" Sundries,	144 800			
16	" Loss and Gain,†	238 1140 60	16	" Bal. Inventory,†	100			
		2890 50			2890 50			

(Amount Notes
Redeemed by Firm.) *Bills Payable.* (Amount Notes
Issued by Firm.)

1866. Jan. 25	To Eastman's Cons't	143 100	1866. Jan. 15	By Mdse., " N. L. Gage,	143 100
Feb. 16	" Balance,†	280	18	" Insurance,	143 80
		330	19	" Adv. to Warner,	143 20
			20		330

* First page of Leger.

† Red Ink.

Ex. (Outlay.)

Store Expense.

11

(Notes in Firm's favor)
Received.

(Notes in Firm's favor)
Received.) Bills Receivable. (Notes in Firm's favor
Disposed of or Collected.)

Notes in Firm's favor
Disposed of or Collected.

(Amt. Deposited.)

Bank of Commerce.

(Amt. drawn out.)

(Outlay.)

Insurance.

1866.					1866.			
Jan. 19	To Bill Payable,	143	30	=	Feb. 16	By Loss and Gain,*	238	30

(Cost Firm.)

Adv. to W. G. Warner. (Produced Firm.)

PF (Produced Firm)

* Red Ink.

Dr. (Outlay.) *Interest and Discount.* *Cr.*

1866. Jan. 22	To Cash,	143	6	1866. Feb. 16	By Loss and Gain,*	238	6
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(Outlay.) *Salary Account.*

1866. Feb. 16	To Sundries,	145	72	1866. Feb. 16	By Store Expense,*	232	72
------------------	--------------	-----	----	------------------	--------------------	-----	----

(Cost.) *Real Estate.* (Produced.)

1866. Jan. 24	To G. F. Davis, " Loss and Gain,	143	600	1866. Feb. 16	By Bal. Inventory,*	650	
Feb. 16	"	238	50			650	

(Cost.) *P. G. Eastman's Consigt.* (Produced.)

1866. Jan. 23	To Cash, " Sundries,	143	20	1866. Jan. 25	By Sundries,	143	800
Feb. 1	"	144	780			800	

Merchandise Co. A.

1866. Jan. 29	To Sundries, "	144	340	1866. Feb. 2	By E. P. Eastman, " Mdse., " Sundries,	144	500
Feb. 10	"	145	510			144	150

* Red Ink.

Dr. (Mortgages received.) **Mortgage Receivable.** (Mortgages given up or collected by Firm.) **Cr.**

1866. Feb. 14	To Mdse. Co. B.,	145	860	1866. Feb. 16	By Balance,*	860
------------------	------------------	-----	-----	------------------	--------------	-----

(Cost Firm.) **Adventure Co. A.** (Produced Firm.)

1866. Feb. 4	To Sundries,	144	220	1866. Feb. 16	By Bal. Inventory,*	220
-----------------	--------------	-----	-----	------------------	---------------------	-----

(Outlay.) **Commission.** (Income.)

1866. Feb. 16	To Loss and Gain,*	238	62 80	1866. Feb. 1	By Eastman's Cons't	144	20
				10	" Mdse. Co. A,"	145	20
				15	" Sundries,"	145	22 80

(Cost.) **Adventure Co. B.** (Produced.)

1866. Feb. 18	To Frank Dayton,	145	200	1866. Feb. 16	By Bal. Inventory,*	200
------------------	------------------	-----	-----	------------------	---------------------	-----

Merchandise Co. B.

1866. Feb. 12	To Sundries,	145	280	1866. Feb. 14	By Sundries,	145	760
15	" "	146	555 70	15	" "	145	25 70

* Red Ink.

Dr.*Steamer Magenta.* (Firm Owes.)**Cr.**

1866.				1866.			
Feb. 16	To Balance,*		20	Feb. 12	By Mdse. Co. B,	145	20

Storage.

(Produced.)

1866.				1866.			
Feb. 16	To Loss and Gain,*	288	10	Feb. 12	By Sundries,	145	10

(Owes Firm.)

G. L. Hubert.

1866.				1866.			
Jan. 8	To Mdse.,	142	400	Jan. 20	By Mdse.,	143	124 40
Feb. 6	" Mdse. Co. A,	144	100	Feb. 16	" Balance,*	375 60	

E. White.

(Firm Owes.)

1866.				1866.			
Feb. 16	To Balance,*		88 88	Feb. 16	By Store Expense,	144	88 88

N. L. Gage.

(Firm Owes.)

1866.				1866.			
Jan. 18	To Bills Payable,	143	180	Jan. 5	By Mdse.,	142	500
Feb. 16	" Balance,*		320				500

* Red Ink.

Dr.*G. F. Davis.*

(Firm Owes.)

Cr.

1866. Feb. 16	To Balance,*	600	1866. Jan. 24	By Real Estate,	148	600
------------------	--------------	-----	------------------	-----------------	-----	-----

(Owes Firm.)

E. J. Wilber.

1866. Jan. 25	To Eastman's Cons't.	143	400	1866. Jan. 27 Feb. 16	By J. T. Reynolds, " Balance,*	144	200 200
			400				400

(Owes Firm.)

J. T. Reynolds.

1866. Jan. 27	To E. J. Wilber,	144	200	1866. Feb. 15 16	By Sundries, " Balance,*	145	174 80 25 70
			200				200 00

(Firm Owes.)

M. E. Luce.

1866. Feb. 16	To Balance,*	695	1866. Jan. 29 Feb. 10	By Mdse. Co. A, " " "	144	800 895
		695				695

(Owes Firm.)

R. S. Barnes.

1866. Feb.	To Sundries,	144	220	1866. Feb. 16	By Balance,*	220
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* Red Ink.

*Dr.**P. G. Eastman.*

(Firm Owes.)

Cr.

1866.					1866.			
Feb.	4	To Sundries,	144	220	Feb.	1	By Eastman's Cons't,	144
16	" Balance,*		540	760				760

(Owes Firm.)

J. M. Ware.

1866.					1866.			
Feb.	4	To Sundries,	144	220	Feb.	16	By Balance,*	220

(Owes Firm.)

E. P. Eastman.

1866.					1866.			
Feb.	2	To Mdse. Co. A,	144	500	Feb.	16	By Balance,*	500

(Owes Firm.)

W. G. Warner.

1866.					1866.			
Feb.	8	To Adv. to Warner,	144	770	Feb.	16	By Balance,*	770

(Firm Owes.)

Frank Dayton.

1866.					1866.			
Feb.	16	To Balance,*	200	200	Feb.	18	By Adv. Co. B,	145
								200

* Red Ink.

Dr.

G. F. Noble.

(Firm Oves.)

Cr.

1866.				1866.			
Feb. 16	To Balance.*			Feb. 12	By Mdse. Co. B,		
		374 30		15	" Sundries,	145	200
						145	174 30
		374 30					

S. E. Hall.

(Firm Owner.)

1866.					1866.		
Feb. 16	To Balance,*				Feb. 15	By Sundries,	
		174	80			145	174
		=	=			=	=

F. J. Smith.

(Firm Owner)

1866.					1866.			
Feb.	16	To Balance,*			Feb.	16	By Salary Acct.	
			82					145
			—	=				82

A. B. Cole.

(Firm Owes.)

1866.					1866.			
Feb. 16	To Balance,*			40	Feb. 16	By Salary Acct.,	145	40

(Figure's Loss.)

Loss and Gain.

(Firm's Gain)

* Red Ink.

Dr.

Balance Account.

Cr.

1866. Feb. 16	To Cash,	281	1484	1866 Feb. 16	By Bills Payable, Steamer Magen-	281	280
" Merchandise,	281	100			" ta,	285	20
" Bills Receivable,	282	240	50		" E. White,	285	38
" Bank of Com- merce	282	24	50		" N. L. Gage,	235	320
" Real Estate,	283	650			" G. F. Davis,	236	600
" Mortgage Rec.,	284	380			" M. E. Luce,	236	695
" Adv. Co. A,	284	220			" P. G. Eastman,	237	540
" " B,	284	200			" F. Dayton,	237	200
" G. L. Hurlbert,	285	375	60		" T. F. Noble,	238	374
" R. S. Barnes,	286	220			" S. E. Hall,	239	174
" J. M. Ware,	237	220			" F. J. Smith,	239	32
" E. P. Eastman,	237	500			" A. B. Cole,	239	40
" W. G. Warner,	237	770			" Stock,*	231	2276
" E. J. Wilber,	238	200					87
" J. T. Reynolds,	238	25	70				
			5540 30				
			=====				=====

* Red Ink.

TRIAL BALANCE.

HAVING finished Posting, the first operation is to foot up the accounts in the Leger, placing the amounts on the left in very light *lead pencil* marks, which should be erased after finishing your work.

Now proceed to take off a Trial Balance by taking the footings of each account from the Leger to the Trial Balance. You do this to prove that the Debits and Credits are equal. It is not, however, a strict proof of the correctness of your work, for the wrong *article* may have been charged, (though this seldom occurs.) As a general thing, when the footings of the Dr. and Cr. sides of the Trial Balance are alike, the work is correct.

ORDER OF CLOSING ACCOUNTS.

You now wish to know your standing with the accounts with which you have been dealing, or in other words, to ascertain your Assets and Liabilities. In order to find this, you take off what is termed a *Balance Sheet*. This is done by closing the accounts in the following order:

First—Cash Account—The Dr. side shows the receipts; the Cr. the disbursements. The difference must be the amount you possess. This difference you place to the Cr. side “By Balance,” and then carry it to the Dr. side of Balance Account, or under your Assets in Balance Sheet. Mdse. acct. is first Cr. with the value, or cost, of goods remaining unsold. You then close it to or by “Loss and Gain.” The Dr. side shows the cost of Mdse. purchased; the Cr. what it produced. The difference is the gain or loss. The Inventory you carry to the Dr. side of Balance, or under your Assets in Balance Sheet; the Loss or Gain to Loss and Gain Account, it being the general reservoir for all losses and

gains. The Bank Stock, Real Estate, Movable Property, etc., you may have on hand at close of business, must be disposed of in same manner. Bills Payable is a real account and closed "To Balance." This being a Liability, you carry the amount to the Cr. side of Balance Sheet. Bills Receivable is closed "By Balance"—being an Asset, it is transferred to the Dr. side of Balance Sheet.

When the accounts are all closed, those exhibiting Loss and Gain you carry to Loss and Gain Account, the others to Balance Account. You then find that Loss and Gain has been debited with all losses, and credited with all gains. The balance of the account must be your loss or gain. In this set the Cr. side of Loss and Gain shows an excess over the Dr. of \$1276.37, which is your net gain. You close Loss and Gain Account by making it Dr. to Stock for the amount gained. Since you Dr. Loss and Gain to Stock for \$1276.37, you must credit Stock by Loss and Gain for the same amount.

On commencing business your investment was \$1000. Loss and Gain exhibits a gain of \$1276.37, with which Stock has been credited, making your net Capital at closing \$2276.37. Stock is closed "To Balance," then this Balance is transferred to the Cr. side of Balance Account, or Balance Sheet. Now, if your work has been rightly performed, the balance of Stock account corresponds with the difference between your Assets and Liabilities as shown on Balance Sheet.

Below are appended a few General Rules which should be carefully studied.

All Balances, Inventories, Folios and Ruling, should be entered with *red ink*.

All Transfers with *black ink*.

All Personal and Real Accounts close "To," or "By Balance."

All imaginary and speculative accounts close into Loss and Gain.

Those closing "By Balance," are Assets.

Those closing "To Balance," or on the Dr. side, are Liabilities.

Those accounts having an inventory should be credited with the same before closing.

Those accounts which close "To Loss and Gain," show a Gain.

Those closing "By Loss and Gain," or on the Cr. side, a Loss.

TRIAL BALANCE.

		Dr.	Cr.
231	Stock,		1000
231	Cash,	1950	516
231	Merchandise,	1249	90
231	Bills Payable,	100	330
232	Bills Receivable,	320	50
232	Store Expense,	78	88
232	Bank of Commerce,	200	175
232	Insurance,	30	
232	Adv. to Warner,	640	770
233	Interest and Discount,	6	
233	Real Estate,	600	
233	Eastman's Consigt,	800	800
233	Salary Account,	72	
233	Mdse. Co. A,	850	850
234	Mortgage Receivable,	360	
234	Adv. Co. A,	220	
234	Commission,		62
234	Adv. Co. B,	200	80
234	Mdse. Co. B,	785	70
235	Steamer Magenta,		785
235	Storage,		20
235	G. S. Hulbert,	500	10
235	E. White,		124
235	N. L. Gage,	180	40
236	G. F. Davis,		38
236	E. J. Wilber,		33
236	J. T. Reynolds,	400	
236	M. E. Luce,	200	600
236	R. S. Barnes,	220	
237	P. G. Eastman,	220	200
237	J. M. Ware,	220	
237	E. P. Eastman,	500	200
237	W. G. Warner,	770	
237	Frank Dayton,		874
238	T. F. Noble,		30
238	S. E. Hall,		174
238	F. J. Smith,		30
238	A. B. Cole,		92
238	Loss and Gain,	25	40
		70	95
		11698	13
		11698	13

BALANCE SHEET.

	ACCOUNT WITH THINGS.	ASSETS.	LIABILITIES.
231	Cash,	1314	
231	Merchandise Inv.,	100	
231	Bills Payable,		280
232	Bills Receivable,	240 50	
232	Bank of Commerce,	24 50	
233	Real Estate Inv.,	650	
234	Mortgage Receivable,	360	
234	Adv. Co. A, Inv.,	220	
234	Adv. Co. B, Inv.,	200	
235	Steamer Magenta,		20
 ACCOUNT WITH PERSONS WHO OWE FIRM.			
235	G. S. Hulbert,	875 60	
236	E. J. Wilber,	200	
236	J. T. Reynolds,	25 70	
236	R. S. Barnes,	220	
237	J. M. Ware,	220	
237	E. P. Eastman,	500	
237	W. G. Warner,	770	
 ACCOUNT WITH PERSONS WHOM FIRM OWES.			
235	E. White,		88 33
235	N. L. Gage,		320
236	G. F. Davis,		600
236	M. E. Luce,		695
237	P. G. Eastman,		540
237	Frank Dayton,		200
238	T. F. Noble,		874 80
239	S. E. Hall,		174 30
239	F. J. Smith,		82
239	A. B. Cole,		40
231	Stock,*		2281 87
		5540 30	5540 30

* Red ink.

STATEMENT A.

SUNDAY PERSONS OWING FIRM, (H. C. MEAD,) 16 FEBRUARY, 1866.

L. F.	NAME.	AMOUNT.	RESIDENCE.	WHEN DUE.
235	Hulbert, G. S.,	875 60	Poughkeepsie, N. Y.,	10 April.
236	Reynolds, J. T.,	25 70	" " "	27 Sept., 1864.
236	Wilber, E. J.,	200	" " "	28 May, 1865.
237	Warner, W. G.,	770	New-York City,	8 February.
237	Eastman, E. P.,	500	Poughkeepsie, N. Y.,	2 " "
237	Ware, J. M.,	220	Cleveland, Ohio,	4 " "
237	Barnes, R. S.,	220	" "	4 " "
		2311 80		

STATEMENT B.

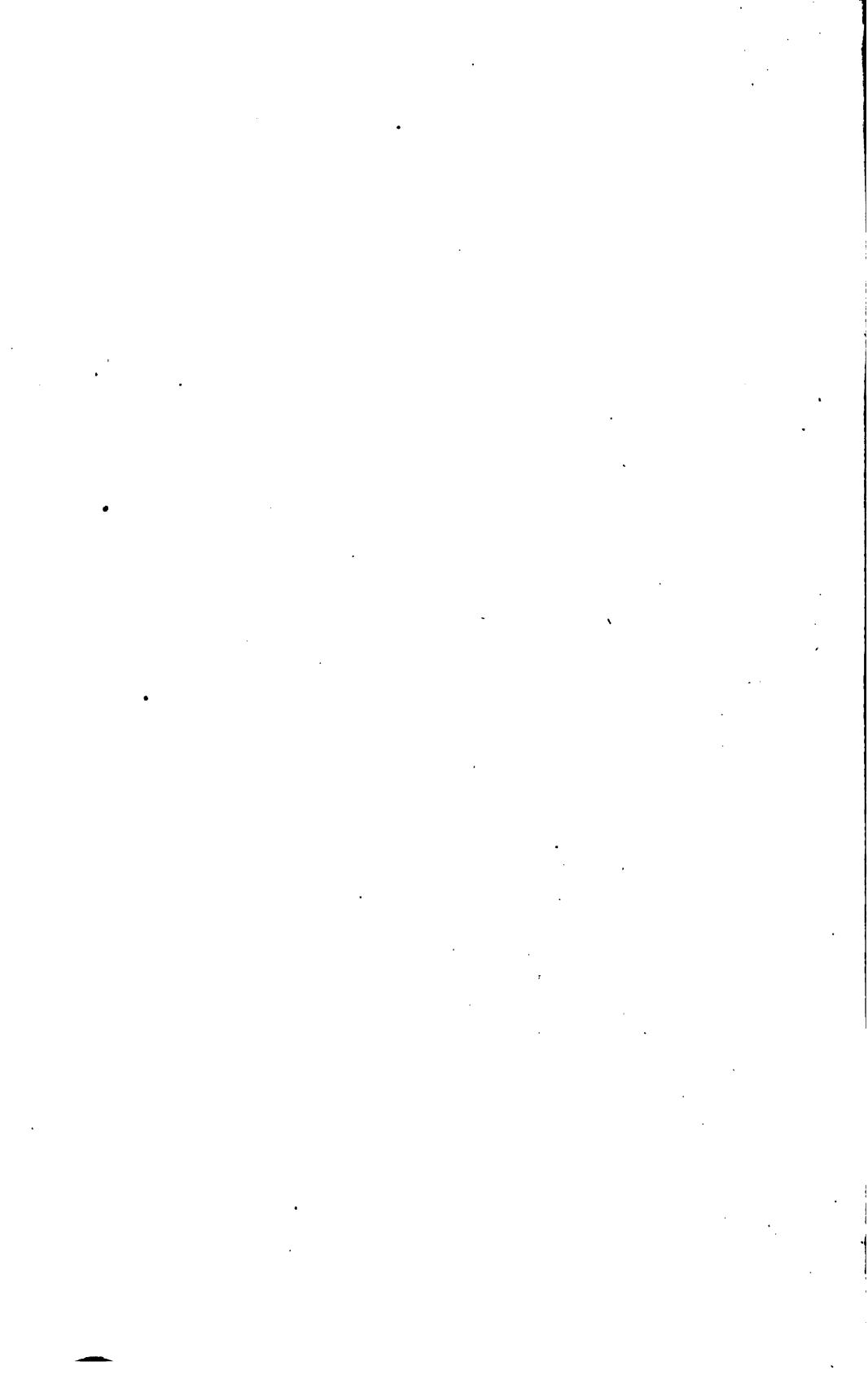
SUNDAY PERSONS FIRM (H. C. MEAD) OWES, 16 FEBRUARY, 1866.

L. F.	NAME.	AMOUNT.	RESIDENCE.	WHEN DUE.
237	Noble, T. F.,	874 30	Erie, Pa.,	13 February.
237	Dayton, Frank,	200	Kingsville, Ohio,	13 "
237	Eastman, P. G.,	540	Cleveland, Ohio,	30 January.
236	Luce, M. E.,	695	Painesville, Ohio,	5 February.
236	Davis, G. F.,	600	Poughkeepsie, N. Y.,	24 January.
236	Gage, N. L.,	320	Buffalo, N. Y.,	14 February.
236	White, E.,	88 33	Poughkeepsie, N. Y.,	27 Dec., 1864.
238	Hall, S. E.,	174 30	Albany, N. Y.,	15 February.
238	Smith, F. J.,	32	Poughkeepsie, N. Y.,	16 "
238	Cole, A. B.,	40	" "	16 "
		3215 60		

TO THE STUDENT.

We are taught in this science to look beyond persons for our debtors and creditors, and to recognize them in *things* also with which we are dealing. When a person owes us, we do not hesitate to say he is our *debtor*. Then why not give the same application to things, treating them the same as Debtor and Creditor? You can not too carefully study the *Rules* just passed, and their application in the Model Day-Book, Journal and Leger, for in them will be found the *key* to success in Double Entry Book-Keeping. Each rule has a meaning and purpose, which should be sought after with *diligence* and *earnestness*. It needs but a strong determination, to overcome the difficulties arising before you in this Course, and with a sufficient amount of it, you will gain a signal victory over this important science.

The preceding matter, as the elementary principles, is to act as your guide through the Theory of this interesting science. You should not hesitate to *dive deep* and *search long*, in order to gain that knowledge which has started so many on the road to success, and made them *influential* and *wealthy* citizens.



NOTE.

THE student will copy the following transactions for a Day Book to Set First; after which, Journalize as in the Model Form, paging the first page of Journal 170, and the first page of Leger 432. The paging should be continued from those of this set, through the three sets, leaving between each set a blank leaf for name of Firm and place of business.

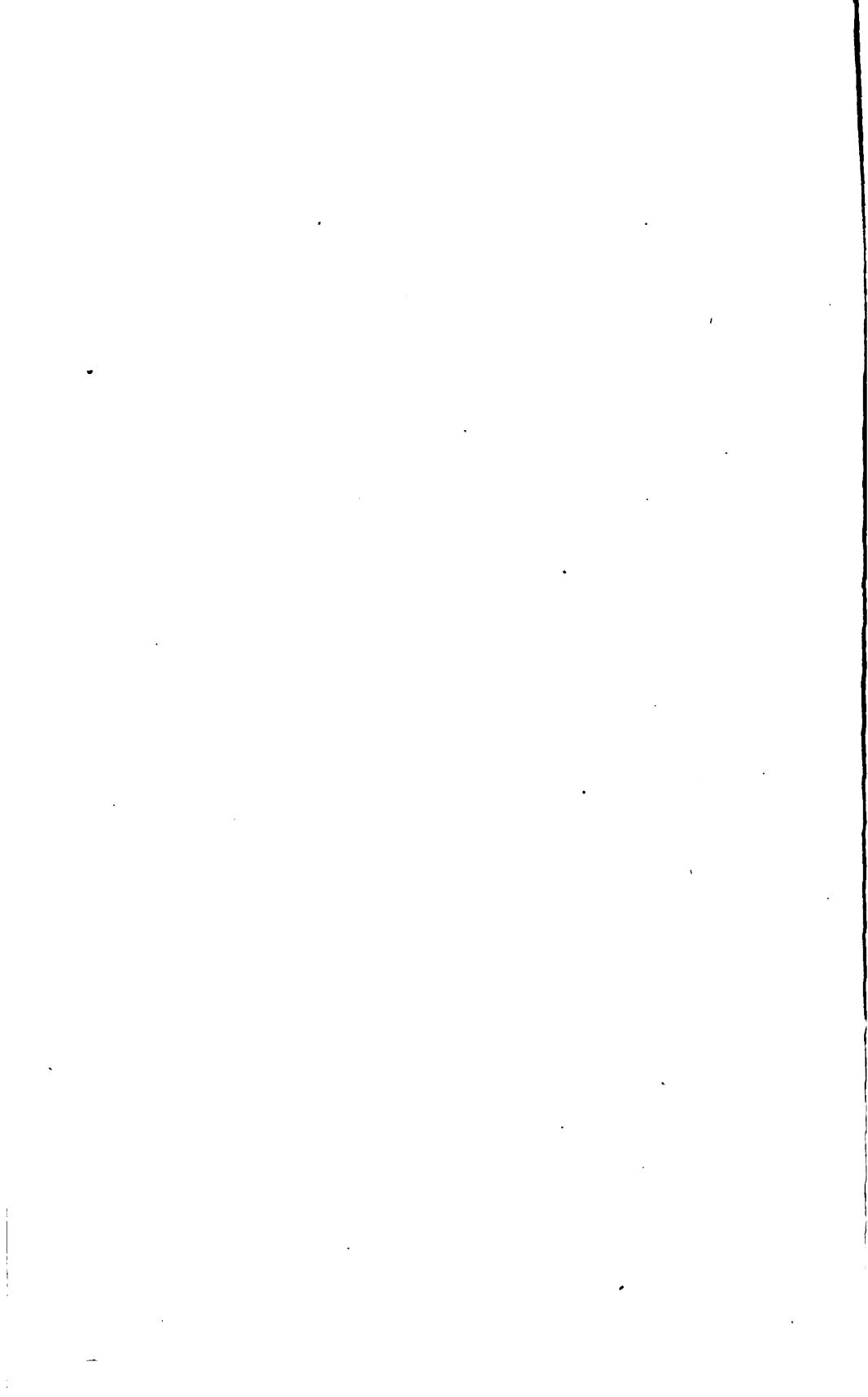
SET FIRST.

H. C. MEAD

241 Main Street,

POUGHKEEPSIE, N. Y.

The above card should be written on the first blank page of Day Book, Journal, and Leger.



1 January, 1866.

Leased of George McLean the Store at No. 241 Main street, at \$600 per year, for the purpose of conducting the Dry Goods and Grocery Busi- ness,	600
Capital invested on commencing, Cash, " 2	2500
Bought of Wm. B. Draper, on acct., 50 bbls. Flour @ \$6, " 3	800
Paid Cash for two tons Coal for use of Store, " 5	15 50
Bought of Chas. Cutler, on acct., 1 Piece Broadcloth, 40 yds., @ \$8, " 6	120
Sold to Marvin & Co., for Cash, 25 bbls. Flour @ \$5, " 7	125
Paid sundry private expenses, in Cash, " 8	10
Sold Chas. Reynolds, on acct., 25 bbls. Flour @ \$5, " 9	187 50
Deposited in Merchant's Bank, Cash, " 10	100
Paid Chas. Cutler in full of acct. Cash, " 12	120
Bought of Geo. Stilson, for my check on Merchant's Bank, 300 lbs. White Sugar, @ 30c., " 13	90
Sold L. L. Smith, for his Check on City Bank, 20 yds. Broadcloth, @ \$2 75, " 14	55
Bought on Commission for P. H. Christy, 50 bush. Corn, for which he paid me cash, " 15	5
Bought of Chas. Woodford, on my note at 60 days, 10 Boxes Raisins, @ \$15,	150

16 January, 1866.

Sold Nathan Rogers, for his note, at 4 months, 300 lbs. White Sugar @ 25c.,	75
17	
Bought of Walter Wilson, 5 pieces Silk. Gave in payment a note which I held against Nathan Rogers,	75
19	
Paid for Insurance on Mdse., in Aetna Ins. Co., cash,	10
20	
Sold Robert Goodwin for his Endorsed Note at 30 days, 5 pieces Silk,	78
"	
Borrowed of James Adams in Cash, \$1000, Gave him my note, payable in 12 months, for	1070
21	
Paid Geo. McLean on acct., for Store Rent, Cash,	50
22	
Lost by fire, Mdse. worth	20
23	
Bought of L. Lawson, on acct., 50 pieces calico 673 yds. @ 28c.	188 44
24	
Sold J. B. Butchers, on acct., 8 Boxes Raisins @ \$14,	112
26	
Accepted L. Lawson's Draft @ 5 days' sight, favor Fred. Fisk,	180
"	
Bought of E. R. Plowman, for Cash, 10,000 lbs. Hops @ 15c.,	1500
28	
Bought of Chas. B. Cutler, for my Draft at sight on J. B. Butchers, 1 hhd. Molasses,	60
"	
Paid in Cash, my Note, favor Jas. Adams. Face of Note,	1070

29 January, 1866.

Shipped by the Brig Louise Norwood, and consigned to P. H. Christy, New-York City, to be sold on my account and risk, 9000 lbs, Hops, Paid shipping expenses, in Cash,	1350 80	1880
Received of Aetna Ins. Co. for damages by fire 22d inst., Cash,	"	20
Due Géo. McLean for store rent,	"	50
I have this day taken an Inventory of my effects and, as per Inventory Book, have the following property: 1000 lbs. Hops, @ 82c., \$820 50 pieces Calico, 673 yds. @ 84c., 228 82 Sundry Mdse., 68—\$616 82 Adv. to P. H. Christy, valued at, 1880		



SET SECOND.

ON opening the Journal of Set Second, you should carefully study the application of the rule, Dr. WHATEVER COSTS VALUE, and Cr. WHATEVER PRODUCES VALUE.

By referring to the Balance Sheet of Set First, you will find that Mr. Mead invests in this Business his net Capital on closing in Poughkeepsie. Now as all things on hand and persons owing you must be made Dr., while your obligations, or what you owe must be Cr., the difference between these amounts (net Capital) is the amount by which Mr. Mead must be credited, observing the same rule with every subsequent partner when taken into the firm.

You should give the opening of this Journal your particular attention; an understanding of it will be of incalculable advantage to you in solving the many difficult problems that follow.

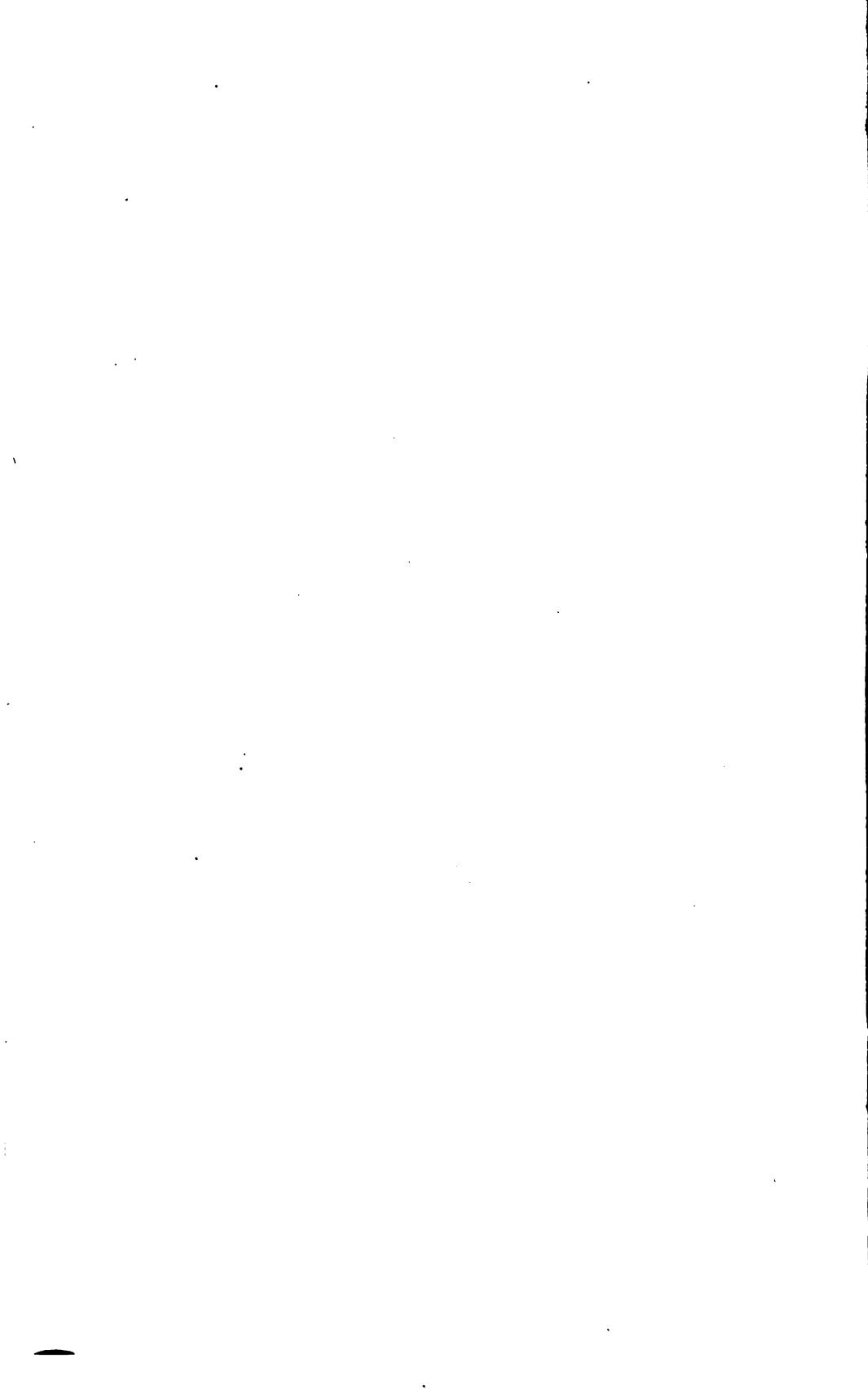
SET SECOND.

H. C. MEAD & CO.,

42 Water Street,

CHICAGO, ILL.

The above card should be copied in the blank leaf after Set First in Day Book, Journal, and Leger.



1 February, 1866.

H. C. Mead and M. E. Luce have this day formed a Copartnership to conduct the Dry Goods, Grocery, and Shipping Business, at No. 42 Water street, Chicago, Ill. They are to share and sustain equally in Gains and Losses.			
H. C. Mead invests, (as per Balance Sheet, Set 1st.)			
Cash on hand,	829 50	8103	82
Mdse., as per inventory,	616 82		
R. Goodwin's Note @ 30 days, from 20 Jan. '65,	78		
Adv. to P. H. Christy,	1880		
Merchants' Bank, on account,	10		
Chas. Reynolds,	137 50		
J. B. Butchers,	52		
His Liabilities are			
Owes on Sundry Notes,	380	668	44
G. W. McLean, on acct.,	30		
W. B. Draper,	800		
L. Lawson,	8 44		
M. E. Luce invests,		5500	
Cash,	1000		
Mdse., per Inventory,	1500		
Store above mentioned, valued at	3000		
2			
Paid in Cash Lawson's Draft, accepted 26 Jan. for		180	
3			
Bought of S. C. Morton, for our Note (No. 1) @ 60 days, payable at City Bank, 4 hhds. Sugar, 4508 lbs., @ 15c.,		676 20	
4			
Paid Cash for Advertising our Business in Daily Tribune,		48	
6			
H. C. Mead has this day added to his investment in the Business, a Set of Exchange @ 30 days' sight on London at par, for £180, Also Cash,	799 20	1799	20
7			
Deposited in City Bank, Cash,		779 50	
9			
Sold G. W. McLean, on account, our full stock of Goods, as per Inventory Book of Set 1st, for		550	
10			
Engaged C. H. Andrews as accountant @ \$18 per week, Also, as salesman, J. B. North, @ \$14 per week, And B. D. Dudley, @ \$16,			

11 February, 1866.

Received from Lord & Taylor, N. Y. City, per our order, 100 pieces Sheeting, 4000 yds., at 30c.,	1200 00
12	
Sold D. P. Davis, for his Draft, at 10 days' sight on Park & Co., N. Y. City, 2 hhds. Sugar, 2254 lbs., at 20c.,	450 80
15	
Received from C. H. Reynolds, in settlement of his acct., 2 shares C. & E. Railway Stock,	187 50
16	
Rec'd from P. H. Christy, on account sales of Mdse., shipped 30th Jan., to be sold on our acct. and risk. Total Sales, \$1500 His com. at 2½ per cent, \$37 50 Freight paid by him, 32 50 70 Net proceeds in our favor,	1430
18	
Transferred the lease of Store, No. 241 Main street, Poughkeepsie, N. Y., to J. L. Sternberg, he en- gaging to perform our contract.	
20	
Sold T. F. Noble, for his check on First National Bank, 10 pieces Broadcloth, 200 yds., @ \$2 50,	500
21	
Received from A. W. Webster, Winona, Min., to be sold on his acct. and risk. 600 bushels Wheat, inv. at \$1 50, \$900 Paid freight, on same, in Cash,	48
22	
Remitted Lord & Taylor, N. Y. City, our Draft at sight on P. H. Christy, for	1200
24	
Sold D. D. Munn & Co., 85 John street, 2 hhds. Sugar, 2254 lbs., @ 22c., 50 pieces Sheeting, 2000 yds., @ 38c.,	495 88
Received in payment, A. W. Webster's Draft on us in his favor, for The balance on three months' time,	760 00 1255 88
27	
Sold H. N. Avery, on acct. at 30 days, 300 bushels Wheat @ \$2, The above belonging to Webster's Consigt.	600

1 March, 1866.

Bought of E. M. Curtiss, 600 Bu. Wheat, @ \$1 75, 800 " Oats, @ 75c., Gave in payment, Cash, D. B. Davis's Draft on Park & Co., N. Y. City, due 22d Feb., for Interest allowed,	1050 600 1198 75 450 80 45		
		1650	
2			
Due the following persons for services to date: C. H. Andrews, J. B. North, B. D. Dudley,	54 42 48		144
3			
Shipped Edwards & Iddings, Cleveland, O., to be sold on joint account and risk, 600 bush. Wheat, Invoiced, Paid for freight and cartage, Cash,	1080 40		1120
4			
Sold M. W. Rundell the balance of Webster's ship- ment, 300 bush. Wheat, @ \$2 10, Received in payment, his Draft, at sight, on D. J. Adams, which we have had placed to our credit in City Bank,			680
5			
Sold our Exchange on London, received 6th inst. Face of Exchange, Premium, Received in payment, 1 Bale Carpeting, for M. E. Luce's family, as per bill, Horse for use of business, worth Wagon valued at,		799 20 22 98	
6			
Paid the following persons an account, Cash, C. H. Andrews, J. B. North, B. D. Dudley,	40 36 64		140
7			
Closed the Consignment from Winona, Minn., and rendered A. H. Webster an account sales. Total sales, \$1280 Charges already posted, 48 Our commission @ 3 per cent, A. W. Webster's net proceeds,		86 90 1145 10	1182
8			

10 March, 1866.

Shipped per Steamer New World, and consigned to Wetmore & Co., Buffalo, N. Y., to be sold on joint account and risk, 800 Bush. Oats, invoiced at \$1 05, Paid sundry shipping expenses in Cash,	840 40		880
11			
Received per Brig Minnehaha, from Howard & Co., Buffalo, N. Y., for sale on joint account, each equally interested, 400 Bush. Ashton Salt, @ \$2 10, \$840 200 Bbls. Water Lime, @ \$1 85, 370 Freight due Brig Minnehaha, Our half invoice,	97 605		702
13			
Received from Edwards & Iddings, Cleveland, O., an acct. sales of Mdse., shipped them on 8d inst., to be sold on joint acct., Total sales, \$1450 Freight and drayage, paid by them, \$67 50 Their commission, @ 8 per cent, 43 50—111 Our net proceeds,		669 50	
15			
Sold P. M. Clark the Mdse. belonging to Co. "A." for For which he gave his Draft at sight on Merchants' Bank.		1600	
16			
Exchanged Notes with E. P. Eastman, for our mutual accommodation, both Notes drawn for like amounts,		137 47	
17			
Closed Mdse. Co. "A." from Buffalo, N. Y., and rendered Howard & Co. an acct. sales. Total sales, \$1600 Charges posted, 97 Our Commission, @ 8 per cent, Howard & Co's net proceeds, Our gain,	48 727 50 122 50		898
18			
Received for Dividend on our C. & E. R. Stock, Cash,		6 44	
21			
Transferred to Howard & Co., our C. & E. R. Stock, two shares, @ \$69 84.		189 68	

23 March, 1866.

Due C. H. Andrews, from date of last settlement, for services rendered, @ \$19 per week, J. B. North, B. D. Dudley,	54 42 48			144
We have this day taken an Inventory of our effects and find the following property unsold :				
Merchandise,	\$2000			
Real Estate,	2340			
Live Stock,	180			
Movable Property,	130—\$4650			
Goods belonging to Adv. Co. "B."	440			
Inventory total,	\$5090			

N O T E .

Having journalized and posted the accounts found in this Day Book, take a Trial Balance and Balance Sheet, and so ascertain if your work is correct. You will then bring down *all* Inventory Balances "To Balance," and Balances of all REAL ACCOUNTS, such as Cash, Bills Payable, Personal Accounts, etc., either "To" or "By Balance," as the standing of the accounts may show.

If an account is closed "To Balance," you will open it by writing on the Credit side of the same, "By Balance," and the reverse, dating all balances thus transferred. This transfer will correctly locate in the Leger the Assets and Liabilities ready for the commencement and continuation of the Third Set, thus saving the unnecessary labor of Journalizing and Posting these same accounts, and arriving at the same correct result.



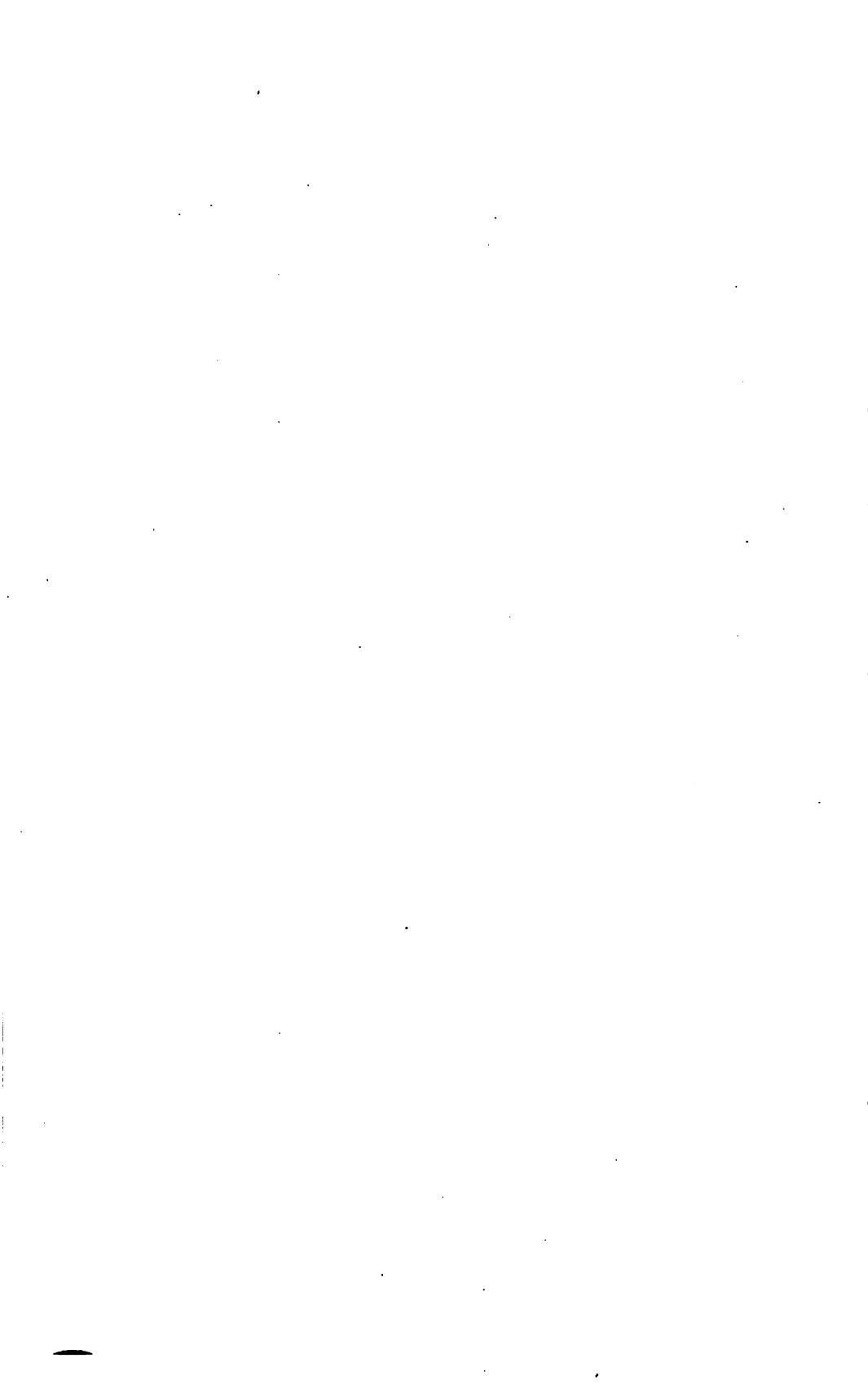
SET THIRD.

This, of all Theory Sets, is the most difficult to comprehend. It is your last Set of Books previous to entering **ACTUAL BUSINESS**, and contains new and important *transactions*. In this Set you are called upon to exercise your own judgment in the construction and arrangement of a portion of its Day Book entries. This is an important feature, and one which should not be neglected.

SET THIRD.

MEAD, LUCE & GAGE,
245 Superior Street,
CLEVELAND, O.

Copy the above Card in Day Book and Journal.



27 March, 1866.

H. C. Mead and M. E. Luce have this day commenced the Dry Goods, Grocery and Shipping business at 245 Superior street, Cleveland, O., under the management of the junior partner, M. E. Luce, with the Assets and Liabilities as brought down in old Leger.

28

Have admitted into the firm N. L. Gage, on condition that he receive or sustain 2-7ths of the Gains or Losses. He invests Cash, Merchandise as per inventory,

1000	
2000	3000

29

Deposited in Bank of Commerce,
Cash,
E. P. Eastman's Note, our favor,

700	887
137	47

30

Sold our Store No. 42 Water street, Chicago, Ill., to G. G. Gerrish, for
Received in payment, Cash,
His note at 90 days,
His Bond and Mortgage,

1000	2500
500	
1000	

31

Received intelligence from L. Lyon, Chicago, Ill., that he has shipped per our request, and consigned to Smith & Son, Buffalo, N. Y., for sale on joint account of shipper, consignee, and ourselves, 1500 Bush. Wheat, at \$1 50, \$2250
Our $\frac{1}{3}$ invoice,

750

8 April

Paid the following on acct., Cash,
C. H. Andrews,
J. B. North,
B. D. Dudley,
Brig Minnehaha,

86	293
62	
48	
97	

4

Received from S. W. Wetmore, Buffalo, N. Y., an acct. sales of Mdse. shipped him 10th ult,
Our net proceeds,
For which he has remitted us his Draft, 10 days' sight on Briggs & Son, N. Y. City.

360

5

Sold H. A. Eastman, Mdse., as per Bill,
Received in payment, his Note at 90 days,
Check on Commercial Bank,

480	740
260	

6 April, 1866.

	The City Bank has paid and delivered to us our Note, favor S. C. Morton, for Interest paid,	"	676	20	682	96
	Compromised with R. Goodwin for his Note, due 20th Feb., which we hold, he to pay us the interest in full, and 45 per cent on the principal, for which he has remitted us his Draft at sight, on D. Conger.		6	76		

[NOTE.—You are to originate or make your own language, for the remaining part of the Day Book, observing the same *clear* and *concise* form of expression as in preceding matter. This you will do on loose paper, and present for examination.]

10th. Receive from D. D. Munn, Chicago, Ill., to be sold on joint acct., and risk of shipper, W. B. Draper and ourselves, each one third, 1000 bush. wheat, invoiced \$1.50—\$1500. Pay freight in cash, \$60; your one third invoice \$500.

11th. Have note at 5 months and 3 days discounted at City Bank. Receive cash, \$346.84.

13th. Buy of Edwards and Iddings, Mdse., \$2000. Pay cash, \$1000, check on City Bank, \$580, the balance on 2 mos. time.

15th. Sell M. T. Reed, Mdse., Co. B, for \$1800. Receive cash, \$800, his note at 2 mos., payable at Bk. Commerce, \$1000.

17th. Receive from L. Lawson, Poughkeepsie, N. Y., to sell on joint acct., 400 yards Broadcloth, at \$1.75; 250 do. Cassimeres, at \$2. Pay ft. cash, \$78.

18th. Render an acct. sales of Mdse., Co. B, to D. D. Munn.

19th. Take to your acct. 400 yards Broadcloth belonging to Mdse. Co. C, @ \$1.75 pr. yd.

Receive pr. C. P. and E. R. R of H. N. Avery, to be sold on joint acct. and risk, 2880 yds. G. O. cloth, at 50c. Pay charges in Mdse. from store, \$50.

20th. Sell C. C. Eastman, for his draft at sight on Bagley and Bro., N.Y. City, 250 yds. Cassimere, at \$2.08, (from Mdse. Co. C.)

22d. Sell John Fox, 2000 yds. G. O. cloth, at 75c. (Mdse. Co. D.) Receive in payment, cash, \$1000; flour for bal., at \$10 pr. bbl.

24th. Render L. Lawson an acct. sales.

25th. Ship H. N. Avery pr. his order, Mdse. invoiced at \$2870.

27th. Render H. N. Avery an acct. sales.

28th. Ship and consign to H. B. Rowe, Columbus, O., to be sold on joint acct. of consignee, L. Lawson and yourself, each one third, Mdse. valued at \$1892. Give your note for ft., \$76; cash for insurance and demurrage, \$21.

29th. Purchase an open Policy of Hartford Insurance Co.; give in pay't, cash, \$520; H. A. Eastman's note, \$480; making cost of premium and policy, \$1000.

May 1st. Receive intelligence that the shipment to H. B. Rowe, made on 28th ult., has been damaged to the amount of \$600, through the negligence of the C. C. and C. R. R., and that they have assumed the loss.

[Having finished the Day Book, you will proceed to journalize, observing the same application of Rule as in previous sets; though bearing in mind that in this set you keep a Cash Book, in which all Cash items are entered directly from Day Book.

Post from the Cash Book and Journal in the same order (as regards dates) that the items were first entered. See Model Cash Book, pages 76-7.

The balance of the Cash Book and Cash Account in Leger must agree.

The importance of a thorough understanding of this book can not be overrated.

In closing the Leger you will credit each account with its respective Inventory, giving to all *unsold property* the same value as when purchased. You will consider the Merchandise sold as having been disposed of at an advance of 20 per cent.]

Dr.*Cash, 1866.*

March	27	<i>✓ To H. C. Mead, ✓ " M. E. Luee,</i>	Amount invested.	1443 19
				1443 19
				2886 38
		<i>Balance,</i>		2886 38
	29	<i>✓ To N. L. Gage,</i>	Invested,	1000 1000
				3886 38

Cash, 1866.

Cr.

March	27*	Balance,*		2886	38*
				2886	38
				2886	38
29	✓ By Bank of Commerce, Am't Deposited. ✓ " C. H. Andrus, ✓ " J. B. Worth. ✓ " B. D. Dudley, ✓ " Brig Minnehaha,	Paid on Acc't. Settled in full of Acc't. On Wetmore's shipm't.	700 86 62 48 97	993	38*
		Balance,*		2893	38
				2886	38
				2886	38

* Red ink.

General Representative Leger of H. C. Mead.

* Red Ink.

FORMS

OR

Business Paper in General Use.

The following are forms of business papers adopted by business houses generally. The student will find it *quite necessary*, as before mentioned, to make out from the Day Book of each *set* the business forms which the transactions call for. *This is required* in order that he may familiarize himself with all kinds of paper which represent the language of trade.



FOREIGN EXCHANGE.

1st Bill of Exchange.

Exchange for £80.

NEW-YORK, 2d May, 1866.

Ten days after sight of this my first of Exchange, (second and third of same date and tenor unpaid,) pay to C. S. Gould, or order, Eighty Pounds Sterling, value received, and charge the same to the account of

To GEO. H. PEABODY, }
Banker, London. }

J. A. CONKLIN,
36 Wall st., N. Y.

2d Bill of Exchange.

Exchange for £80.

NEW-YORK, 2d May, 1866.

Ten days after sight of this my second of Exchange, (first and third of same date and tenor unpaid,) pay to C. S. Gould, or order, Eighty Pounds Sterling, value received, and charge the same to the account of

To GEO. H. PEABODY, }
Banker, London. }

J. A. CONKLIN,
36 Wall st., N. Y.

3d Bill of Exchange.

Exchange for £80.

NEW-YORK, 2d May, 1866.

Ten days after sight of this my third of Exchange, (first and second of same date and tenor unpaid,) pay to C. S. Gould, or order, Eighty Pounds Sterling, value received, and charge the same to the account of

To GEO. H. PEABODY, }
Banker, London. }

J. A. CONKLIN,
36 Wall st., N. Y.

NOTES.

Negotiable with Indorsement.

\$80. Poughkeepsie, N. Y., 12th January, 1866.

Ninety days after date, I promise to pay H. C. Mead, or order,
Eighty dollars, value received.

(No. 4.)

JAMES LOWE.

Negotiable without Indorsement.

\$100. Poughkeepsie, N. Y., 15th January, 1866.

Ninety days after date, I promise to pay A. R. Eastman, or
bearer, One Hundred Dollars, value received.

(No. 1.)

H. C. MEAD.

Non-Negotiable.

\$30. Poughkeepsie, N. Y., 19th January, 1866.

Thirty days after date, I promise to pay E. College Insurance
Co., Thirty Dollars, value received.

(No. 2.)

H. C. MEAD.

Demand Note.

\$48.74 Cleveland, O., 24th January, 1866.

On demand, for value received, I promise to pay O. B. Ham-
mond & Co., or order, Forty-Eight and $\frac{7}{10}$ Dollars.

(No. 28.)

H. B. DOOLITTLE.

Payable at Bank.

\$749. Wing, O., 24th January, 1866.

Sixty days after date, I promise to pay A. E. Nellis's order,
Seven Hundred and Forty-nine Dollars, value received, at First
National Bank.

(No. 14.)

J. R. GREENOUGH.

Principal and Surety.\$100³⁵₁₀₀.

WATERLOO, N. Y., 22d January, 1866.

One month after date, I promise to pay Henry Huntley, or order, One Hundred and ³⁵₁₀₀ Dollars, with interest, value received.

N. S. BARNES, Principal.
E. P. KING, Surety.

Joint and Several Note.\$347⁹⁹₁₀₀.

VIRGINIA, Nevada, 30th January, 1866.

Sixty days after date, we jointly and severally promise to pay to the order of P. G. Eastman, Three Hundred and Forty-seven and ⁹⁹₁₀₀ Dollars, value received.

JAMES CUMMING, Sr.
GEO. WASHINGTON ROOD, Jr.

For the Payment of Property.

SHEFFIELD, O., 28th January, 1866.

Six months after date, I promise to pay to the order of N. L. Gage, Eighty Dollars, in good Hemlock Lumber, at Ten Dollars per Thousand feet.

W. H. H. ROGERS.

— • —

RECEIPTS.

— • —

Receipt on Account.

Received, Boston, Mass., 14th May, 1866, from A. E. Whitney, Seventy-eight Dollars, to settle, in part, his account.

\$78.

CYRUS KING, JR.

Receipt in Full.

Received, Poughkeepsie, N.Y., 14th April, 1866, of C. M. Goodwin, Ninety-two Dollars, to settle in full his account

\$92.

SMITH EDWARDS.

Agent's Receipt.

ASHTABULA, O., 8th March, 1866.

Received of M. L. Perkins, Two Hundred Dollars, to apply on his account with C. P. Stanwood.

\$200.

H. L. HOWARD, Ag't,

24 Main st.

Receipt for a Note.

\$1000.

POUGHKEEPSIE, 15th December, 1865.

Received of E. H. Weston, his note at thirty days, dated 10th inst., for One Thousand Dollars.

G. M. WILBER.

DRAFTS.

Time Draft.\$46²⁵₁₀₀.

CLEVELAND, O., 2d May, 1866.

At ten days' sight, pay to N. L. Gage, or order, Forty-six and $\frac{25}{100}$ Dollars, value received, and charge the same to account ofA. C. MARTIN,
To G. A. BLACK, 224 Superior st.
Camden O.*Rules for Journalizing the above.*

PAYEE'S ENTRY.

N. L. Gage (the Payee) Dr's Bills Receivable to A. C. Martin, (the Drawer.)

DRAWER'S ENTRY.

A. C. Martin (the Drawer) Dr's N. L. Gage (the Payee) to G. A. Black, (the Drawee.)

DRAWEE'S ENTRY.

G. A. Black (the Drawee) Dr's A. C. Martin (the Drawer) to Bills Payable.

Sight Draft.\$64⁵²₁₀₀.

COLUMBUS, O., 7th April, 1866.

At sight, pay A. L. Goodwin,or order, Sixty-four and $\frac{52}{100}$ Dollars, value received, and charge the same to account ofM. E. LUCE,
To H. C. MEAD, 24 Grand st.
225 Main St., Poughkeepsie, N. Y.

*Rules for Journalizing the above.***PAYER'S ENTRY.**

A. L. Goodwin (the Payee) Dr's Cash to M. E. Luce, (the Drawer.)

DRAWER'S ENTRY.

M. E. Luce (the Drawer) Dr's A. L. Goodwin (the Payee) to H. C. Mead, (the Drawee.)

DRAWEES ENTRY.

H. C. Mead (the Drawee) Dr's M. E. Luce (the Drawer) to cash.

The above general rules for Journalizing Drafts should be thoroughly understood.

In purchasing or selling Merchandise or other property, and giving or receiving drafts at the time of purchasing or selling, the entries are somewhat changed, yet the main Rule for Journalizing will be found applicable in all cases.

Time Draft Accepted.

\$124⁶⁴₁₀₀. * POUGHKEEPSIE, N. Y., 6th January, 1866.

At thirty days' sight, pay John Reed, or order, One Hundred and Twenty-four ⁶⁴₁₀₀.....* Dollars, value received, and charge the same to the account of

H. C. MEAD & CO.,

To JAMES LOWE, * 323 Main st.

64 Main st., Kingsville, O.

* * * Accepted 8th Jan. 1866. James Lowe.*

DUE BILLS.

\$34.

Due J. B. North, or order, Thirty-four Dollars, value received.

ASHTABULA, Ohio, 10th Jan. 1866.

H. C. MEAD.

Due A. M. Carpenter, Forty-two Dollars in Mdse. from our store, value received.

CLEVELAND, O., 8th Jan. 1866.

MEAD & LUCE.

* Red ink.

No. 76.



Fifty Shares.

This Certificate of Stock

From FIRST NATIONAL BANK, entitles John Smith, Jr., to Fifty Shares of Fifty Dollars each, of its Capital Stock, transferable at the Bank only, by him or his Legal Attorney, on the surrender of this Certificate.

In Witness Whereof, The Seal of said Bank is hereunto affixed, at the City of New-York, this 21st day of January, 1866.

[L. S.]

HENRY MARTIN, President.

J. T. REYNOLDS, Cashier.

FIFTY SHARES, \$50 EACH.

All correspondence relating to the business of the House, to secure prompt attention, should be directed to the firm and sent by mail.

No. 2204. Invoice, Mail,
Goods, Barge,

Boston, April 1st, 1866.

Mr. J. H. Anderson,

Sales 207.
July 23d.

Bought of EASTMAN, WILBER & CO.,

No. 247 Washington Street.

TERMS: Prompt cash, ten per cent off. Payable in Boston Bankable money.

No claims for damages or deficiencies will be allowed unless made within ten days after receipt of the goods.
Insurance will only be effected upon written instructions.

12 lbs.	Dish Linen, ea. 30 yds.	360	40%	145	80
	Led 10 per cent off.			14	58
				131	22

T R A N S F E R.



J. St. Andrews, to Twenty Shares,
For value received.

R. H. Tomlinson :

I hereby sell and transfer

to R. H. Tomlinson

Twenty Shares of the Capital Stock of FIRST NATIONAL BANK, New-York City,

this 24th day of Jan. 1866.

J. St. Andrews.

NOTE.

It may be observed that Banks prefer checks drawn payable to "bearer," in which case they are released from any responsibility arising from their being paid to the wrong individual.

In Certified Checks the word "certified" stamped, or Cashier's name written across them, ordinarily on the face, pledges the bank to pay them when subsequently returned.

No. 47.

D.

\$800 $\frac{75}{100}$

Merchandise.

S. REYNOLDS, J.B.

21st Jan. 1866.

No. 48.

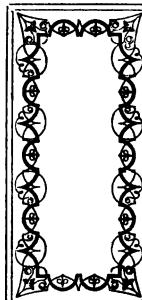
D.

\$2000.

Bills Payable.

W. M. SHARP.

21st Jan. 1866



No. 47.

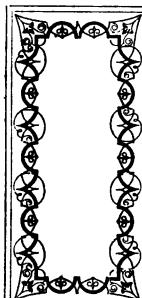
NEW-YORK, 21st Jan. 1866.

First National Bank,

*Pay to S. Reynolds, Jr., or order,
Eight Hundred and $\frac{75}{100}$ Dollars.*

\$800 $\frac{75}{100}$

J. M. COOPER.



No. 48.

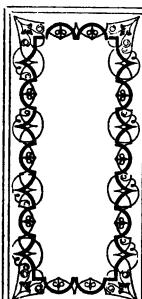
N. Y. CITY, 21st Jan. 1866.

First National Bank,

*Pay W. M. Sharp, or bearer,
Two Thousand Dollars.*

\$2000.

G. P. HARLAN.



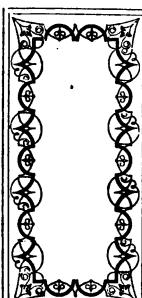
No. 37.

* N. Y. CITY, 21st Jan. 1866.

First National Bank,

*Pay to R.*L. Roberts & Co., or order.
Seven Hundred $\frac{75}{100}$ Dollars,
\$700 $\frac{75}{100}$*

* JAMES HAMMOND.



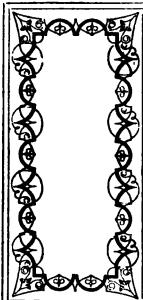
No.

N. Y. CITY, 186

First National Bank,

*Pay or bearer,
..... Dollars.
\$*

* Certified 28d January, 1866. J. T. Reynolds, Cashier.



No. 40.

Certificate of Deposit:

\$2000.

FROM

First National Bank.

NEW-YORK, Jan. 22d, 1866.

This is to certify that James A. Wilson has deposited in this Bank, Two Thousand Dollars, payable to the order of James A. Wilson, on the return of this Certificate.

J. T. REYNOLDS, Cashier.

\$175³⁰₁₀₀.

Bank Exchange.

FIRST NATIONAL BANK.

N. Y. City, Jan. 1st, 1866.

Pay to the order of John Cummings,
One Hundred and Seventy-five ³⁰₁₀₀ Dollars.

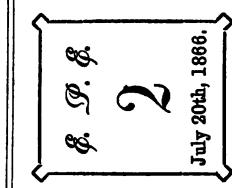
To DREXEL & CO., 67 South Second St., Philadelphia.

No. 219.

J. T. REYNOLDS, Cashier.

NOTICE—SETS 1ST, 2^D, AND 3^D.

The Business Paper for these Sets must be taken from the Day Book of each, using for the same such names and amounts as the transactions would require in a real business. All documents drawn by you, requiring the Internal Revenue Stamp, must receive it, as the form below represents. In all cases, the person using or affixing the Stamp shall write upon it the initials of his name and the date when used.



New-York, 20th July, 1866.

At sight, pay James White, or order, Twenty Dollars,
value received, and charge the same to account of

F. P. Fastman,

20 Pearl Street.

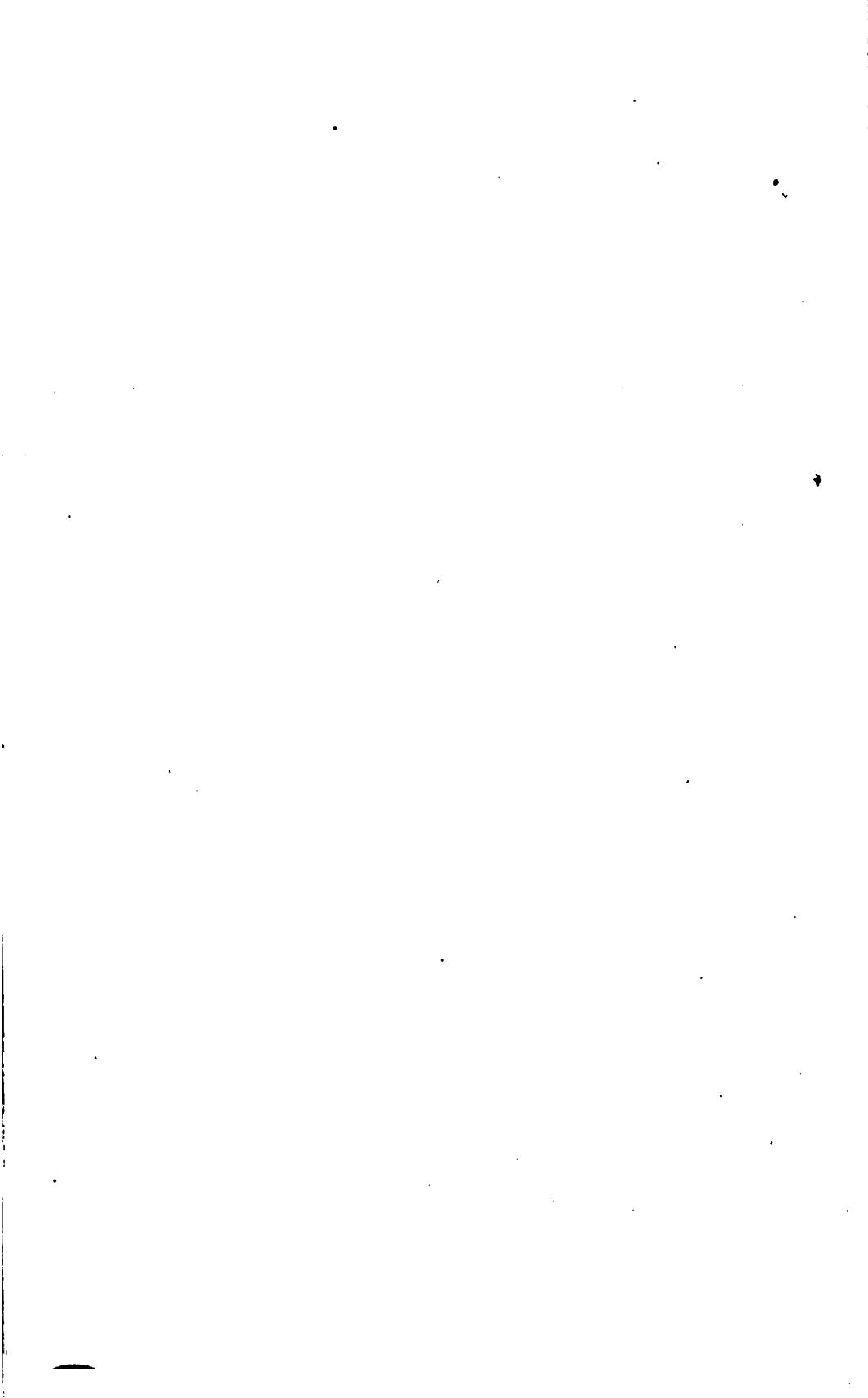
To Charles Hale,
420 Main Street,

Poughkeepsie, N. Y.

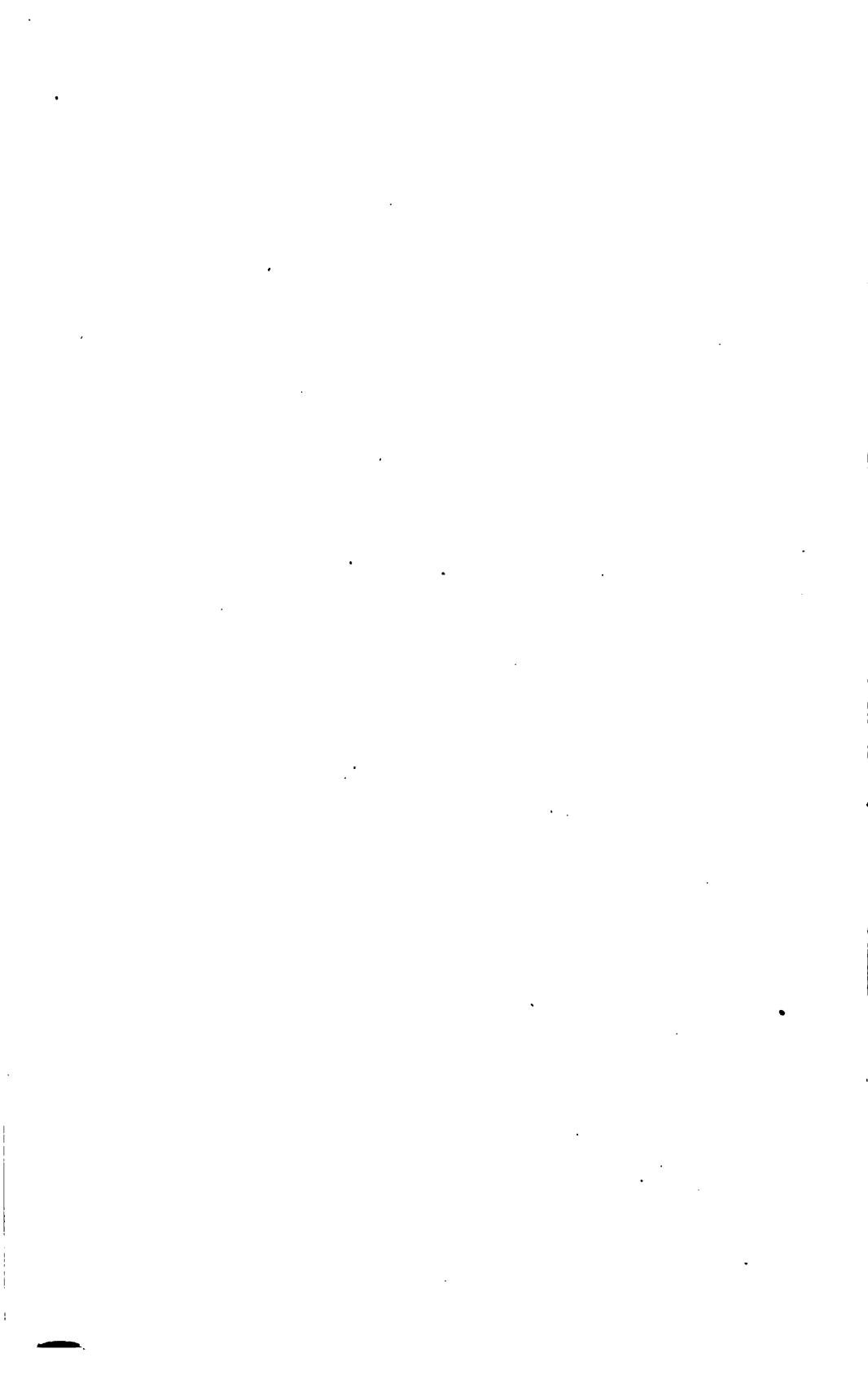
The forms below represent Business Paper, properly folded and filed. As the folding and filing of other papers (not represented) should be the same in form, we deem it unnecessary to give them.

Balance Sheet, Set 1st. Taken, New-York, 24th Dec., 1866. E. W. SMITH, Acctnt.
Trial Balance, Set 1st. Taken, New-York, 20th Dec., 1866. E. W. SMITH, Acctnt.
20th April, 1866. Invoice Letter, J. T. Reynolds.
22d July, 1866. W. W. Wallace. Acct. of Sales, \$159.40.
20th April, 1866. Bill of Sale, E. I. Peet, \$300.

The above Rulings are designed to represent length and width of TIN.



LETTER-WRITING,
BUSINESS CORRESPONDENCE,
AND
MERCANTILE FORMS.



LETTER-WRITING.

CORRECT FORMS OF LETTER AND ENVELOPE.

The ability to write a good letter—to know just what to say and how to say it—is a desirable accomplishment. We attach the utmost importance to this branch of study in this Institution, and give the student practical training daily, conducting a regular, systematic post-office business.

The following specimens will exhibit the best form of dating (1), addressing (2), subscribing (3), superscribing envelope (4), of Business Letters. They should be written on commercial note paper, or the ordinary size letter paper, in a neat, legible hand, and as clear and concise as possible. Where the communication fills a page or less, it is preferable to use but the half-sheet.

The most provoking error committed by letter-writers, and the most annoying to business men, consists in writing the post-office address and State indistinctly, or, what is still worse, omitting one or both altogether. If correspondents will adopt the system given in the annexed letter, placing the date merely at the head of the letter, and the post-office and State, with the name, at the close, this error will be avoided.

1st July, 1866.

²*Henry P. Marshall, Esq.,
Philadelphia, Pa.,*

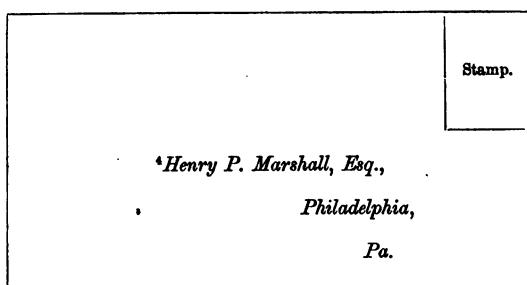
Dear Sir : My advice, on starting out upon life's highway, is that you impress upon your mind that your surest road to prosperity and wealth is through Character. It is the noblest possession of man, constituting a rank in itself, dignifying every station and exalting every position in society. When you lose your money in the street, every one will be ready to help you find it ; but, remember, when you have lost your character, every one will leave you to recover it as best you can. The beginning holds within it the end ; at the first start on the road of life determines the direction and the destination of the journey, so the character you establish before you are five-and-twenty will serve you all your life.

Wishing you every success, I am truly yours,

³*H. G. Eastman,
Poughkeepsie, N. Y.*

ENVELOPE.

The superscription should occupy the lower half of the envelope, both on account of appearance and the convenience of stamping and post marking. For business letters use No. 5½ or 6 envelope. Place the Postage Stamp on the upper right hand corner of all letters.



To preserve copies of all important Letters is very necessary.
 A Letter Book is generally kept for this purpose.

Of the Forms of Letters, Statements, Drafts, etc., that follow, those numbered alike should be read together, in order that they, with the transactions to which they relate, may be well understood.

Pg.	No.	
99	400	Ordering Goods.
99	400	Drawing a Draft.
99-100	401	Drawing a Draft—Statement and Draft given.
101		Orders for Goods and Money.
101	402	Invoice Letter of Adventure with Invoice.
101	403	Account of Sales—Letter, with Account Sales.
102	404	Invoice Letter of Adventure Co.
102	404	Account of Sales, Letter of Mdse. Co.
103	404	Articles of Copartnership.

13 Feb. 1866.

LORD & TAYLOR,

(No. 400.)

312 Broadway, N. Y. City.

GENTLEMEN: Please forward by American Express Co., 100 pcs. Bleached Sheetings, and draw on us at 10 ds. sight for the amount.

Yours &c.,

H. C. MEAD & Co.,

42 Water st., Chicago, Ill.

17 Feb. 1866.

H. C. MEAD & Co.,

(No. 400.)

42 Water st., Chicago, Ill.

DEAR SIR: We have, under this date, drawn upon you at ten days' sight, in favor of H. G. Eastman, for Two Hundred Dollars—please protect the same. Awaiting your further orders, we remain

Your obedient serv'ts,

LORD & TAYLOR,

312 Broadway, N. Y. City.

7 Jan. 1866.

JAMES LOWE, Esq.,

(No. 401.)

64 Main st., Kingsville, O.

DEAR SIR: We have drawn upon you, at 30 ds. sight, for One Hundred and Twenty-four $\frac{44}{100}$ Dollars, to balance your acct., as pr. Statement inclosed. Please honor and oblige,

Very truly,

H. C. MEAD & Co.,

42 Water st., Chicago, Ill.

THE MONTHLY STATEMENT.

Folio. (No. 401.)
Mr. JAMES LOWE, Chicago, Ill., 1866.
 To H. C. MEAD & Co., Dr.
 Dry Goods, Grocery and Shipping House,
 No. 42 Water st.

All Accounts or Notes to be payable in Chicago, or with Exchange.

Jan.	2	To Mdse.	10		
	3	To	18		
	4	To	20		
	7	To	30		
	10	To	12		
	19	To	15		
	28	To	19	64	124 64

The Draft on Time Accepted.

(No. 401.)
 \$124.64. * Chicago, 7 Jan., 1866.

At thirty days' sight, pay D. D. Munn, or order, One Hundred and Twenty-four and $\frac{4}{100}$ *..... Dollars, value received, and charge to account of

H. C. MEAD & Co.,
 To JAMES LOWE, * 42 Water st.
 64 Main st., Kingsville, O.

* * * Accepted 9th Jan., 1866. JAMES LOWE.

ANDREW GORDON,
Utica, N. Y.

1 May, 1866.

DEAR SIR: Have the kindness to deliver to the order of Daniel B. Goodman, Mdse. from your store, not to exceed Eight Hundred Dollars in value, and charge to firm of

M. L. BARTON & Co.,
Waterville, N. Y.

J. F. GORDON & Co.,

3 June, 1866.

432 Broadway, New-York,

Will please pay to N. B. Noyes, Two Hundred and $\frac{8}{100}$ Dollars, and charge the amount to

P. CLARK & Co.,
Canastota, N. Y.

ROGERS, VAIL & Co.,

29 Jan. 1866.

Poughkeepsie, N. Y.

GENTLEMEN: Commencing with the first of March, 1866, you will please deliver to the order of Mrs. William Spencer, one Bbl. Flour every week, intervening between said date and the first of March, 1866, charging the same to

Your ob't serv't, E. P. EASTMAN,
Chicago, Ill.

W. G. WARNER & Co.,

21 Jan. 1866,

312 Broadway, N. Y. City.

(No. 402.)

DR. SR.: I have this day shipped you per H. R. R. R., Mdse. to be sold on my acct. and risk, as pr. invoice inclosed. Trusting it will meet the demands of the market, inducing further shipments,

I remain truly yours, H. C. MEAD,
Poughkeepsie, N. Y.

H. C. MEAD,

30 Jan. 1866.

325 Main st., Poughkeepsie, N. Y. (No. 403.)

DR. SR.: Inclosed please find account of sales of Mdse. received by me to be sold on your account and risk. The goods arrived in good order and met with ready sales at advanced rates.

If the result is satisfactory, we should be pleased to receive further shipments.

Truly yours, W. G. WARNER & Co.,
312 Broadway, N. Y. City.

Invoice of Merchandise shipped pr. H. R. R. R., 21st January, 1866, and consigned to W. G. Warner, N. Y. City, to be sold on my account and risk. (No. 402.)

	50 Bbls. Medium Flour, at \$10, 40 " Rock Salt, 8,	500 120	620
Charges.			
	Paid freight in cash,		20
	E. E.		
	H. C. MEAD, Poughkeepsie, N. Y.		640
			=

Account of sales of Merchandise received pr. H. R. R. R., 22d January, 1866, from H. C. Mead, Poughkeepsie, N. Y., to be sold on his account and risk. (No. 403.)

Jan.	24	Sold M. T. Reed, on 3 months' credit, 50 Bbls. Flour, @ \$12,	600		
	26	Sold C. F. Huntoon, for his note at 10 days, endorsed by L. F. Parker, 40 Bbls. Salt, @ \$5,	200	800	
Charges.					
		Cartage and storage,	10		
		Our commission,	20		
		H. C. Mead's net proceeds,	77		
		E. E.			
		W. G. Warner, 312 Broadway, N. Y. City.	800	800	
			=	=	=

Invoice Letter of Adventure Co.

H. C. MEAD, Esq., 30th Jan. 1866.
Poughkeepsie, N. Y. (No. 404.)

DEAR SIR: Inclosed please find Bill of Lading for Merchandise shipped you the 29th ult., to be sold on joint acct. and risk, as pr. Invoice given:

200 Bush Wheat, at \$2,	\$400
200 " Oats " 1	<u>200</u> \$600

The light crops and scarcity of labor must very soon increase the demands of the market. Therefore, should the produce meet with ready sales at advanced rates, please advise me at once, that I may secure a good stock.

I am, sir, truly yours,

M. E. LUCE,
Painesville, O.

Account Sales Letter of Mdse. Co. A.

M. E. LUCE, Esq., 10th Feb. 1866.
Painesville, O. (No. 404.)

DEAR SIR: Inclosed I send Exchange on your city for Three Hundred and Ninety-five(395) Dollars, the net proceeds of your shipment of the 16th inst., as shown per statement below.

		Sales.			
Feb.	2	Sold to E. P. Eastman on acct., 90 days, 200 Bush. Wheat, at \$2 50,	500		
	4	Took to my acct., 100 Bush Oats, at \$1 50,	150		
	6	Sold to G. B. Snyder, 100 Bush. Oats, at \$2, Received in payment, Cash, G. S. Hulbert's Draft on me for	100 100		850
		Charges.			
		Freight paid in Cash,	40		
		My Commission,	20		60
		Total net proceeds, M. E. Luce's net proceeds, My one half Invoice, My Gain,	895 800 95		790
			790		790

Hoping the above Statement will prove satisfactory, and believing you safe in making heavy shipments of all kinds of produce,

I remain truly yours, H. C. MEAD,
325 Main st., Poughkeepsie, N. Y.

CONTRACT.

Article of Co-partnership between H. C. Mead and M. E. Luce.

STATE OF ILLINOIS,
COUNTY OF COOKE, CITY OF CHICAGO, } Witnesseseth :

That H. C. Mead, resident of the State, County, and City aforesaid, party of the first part ; and M. E. Luce, resident of the town of Kingsville, Ashtabula County, Ohio, party of the second part ; have, and do hereby mutually enter into co-partnership, for the purpose of conducting the DRY GOODS, GROCERY, and SHIPPING BUSINESS at No. 42 Water street, City of Chicago, Ill., under the firm and style of "MEAD & LUCE," on the following conditions :

Said Mead, party of the first part, hereby covenants to bring into the business Seven Hundred and Seventy-nine $\frac{5}{10}\%$ Dollars in Cash, and in Mdse., Notes, and Book-accounts to the value of Twenty-two Hundred and Six $\frac{32}{100}$ Dollars, and to take general charge of said business, assist in keeping the books, and furthermore, to perform generally all duties necessary for an executive in the management of such a business for its interest and development. The firm assumes his liabilities.

Said Luce, party of the second part, agrees, by this instrument, to invest in the business the building or store, located at the aforesaid number, cash one thousand dollars, and Mdse. valued at fifteen hundred dollars ; and to use all his influence to promote the interest and prosperity of said business, but not of necessity to perform any manual labor.

The nature of this agreement is such that neither partner can draw out of the firm for family or private use a sum to exceed one thousand dollars a year ; nor can either member give notes or issue written promises of any kind without the consent of the other member ; nor in any manner bind the association hereby formed.

It is understood further, by both parties aforesaid, that all losses or gains which may result or arise from such business shall be equally divided or shared between said parties, on the first of January and July following the date of this instrument.

Further, it is agreed by said parties that all matters in dispute shall be settled by a Board of three referees, appointed as follows : the first by said Mead, the second by said Luce, and the third by the two thus selected ; and all decisions made by such Board shall be deemed equitable by both parties.

This agreement to go into effect the date hereinafter mentioned, and to continue in force for the period of five years, or till the first of January, eighteen hundred and seventy, (1st Jan., 1870.) No erasures or interlineations to be in this contract.

In witness whereof, we have hereunto subscribed our names and affixed our seals, this (1st Jan., 1866) first of January, A.D. eighteen hundred and sixty-six.

H. C. MEAD, [Seal.]
M. E. LUCE, [Seal.]

Witness, J. T. REYNOLDS.

EQUATION OF PAYMENTS.

Sydney Cooper,

To WILLIAM PALMER, Jr.

Jan. 1. To Mdse. at 2 mos.	\$120.64
16. To " at 4 "	300.36
Feb. 10. To " at 1 "	140
Mar. 6. To "	180.40
	\$841.40
	Cr.
Feb. 15. By Cash,	\$250
Mar. 4. By "	110
20. By "	96
	\$456

We find by the account above, that Mr. Cooper has bought of Mr. Palmer goods to the amount of \$841.40 at the times specified, and on different times of credit, and that he has in part paid him. We find the amount still due Mr. Palmer to be \$385.40, and we wish to find for what time Mr. Cooper could give his note for this amount, so that neither one would gain or lose, but be the same as though he had paid cash whenever the amounts fell due. If goods are bought the 1st Jan. on two months' credit, the account is not due until 1st Mar.; while of those bought 16th Jan. on four mos. credit, the account is due on 16th May. Having found the time each item of the debtor side falls due, and arranged them as in form, I assume the earliest of these dates, 1st Mar., as a focal date, or, in other words, assume that the whole amount, \$841, was bought on that day; but I find that a purchase to the amount of \$180 was made on the 6th, or five days after the date I have assumed. This amount, then, has a credit of five days; and \$180 with a credit of five days is equal to \$900 with a credit of one day; \$240 with a credit of nine days is equal to \$2160 with a credit of one day. By applying this to all of the items, I find \$25,560 could have a credit of one day, and \$841 as many days as it is contained times in \$25,560, which is thirty. Now, I assume the debt to be due the 1st March, but I have found it is entitled to thirty days' credit, which makes the equated date of the Dr. side 31st March.

For the credit side the assumed date is 15th Feb., and after

multiplying each amount of payment by the number of days between the focal date and its own date of payment, and dividing the amount of these products by the amount paid, I have a quotient of 12, which, counted forward from the focal date, makes the equated date of the Cr. side 27th Feb. Our account now stands in this way: Mr. Cooper owed Palmer \$841, due 31st Mar., but has paid him \$456, 27th Feb.

What time shall the balance, \$385, be paid?

Now Cooper did not owe Palmer one penny until the 31st Mar., but has paid him \$456 thirty-four days before it was due; therefore the balance, \$385, should have a longer time to run. The \$456 paid thirty-four days before it is due is equal to \$15,504 one day before it is due, and \$385 can have as many days to run after the 31st Mar., as it is contained times in \$15,504, which is forty. Mr. Cooper must pay the balance, \$385, on the 10th Apr., forty days forward from the equated date of the Dr. side, because the amount paid was paid before the account was due; but if not paid until after the whole amount was due, then we would have counted back the number of days expressed by the quotient.

In finding the average where there are cents, if over fifty call it another dollar, if under, reject them; and, in dividing the several products by the amounts of purchase and payment, if the remainder is more than one half the divisor, call it another day, but if less, reject it.

RULE.

First, find the time each item of the account becomes due. Assume either the earliest or the latest date, as a focal date. Multiply each amount of purchase by the number of days between the focal date and its own date of purchase, and divide the sum of these products by the amount of purchase. The quotient will be the number of days to be counted forward from the focal date, (if the earliest date has been assumed, or backward, if the latest,) and will be the equated date of that side of the account. Proceed the same with the other side. Then multiply the smaller side of the account by the number of days between the equated dates, and divide this product by the balance of the account.

The quotient will be the number of days to be counted forward from the equated date of the debtor side, if the credit side falls due first, but backward from the same date if it falls due last.

DISCOUNT.

Discount is an allowance made by a Creditor to a Debtor for the payment of money before it is due.

Suppose you hold a note against E. W. Smith for \$144, due one year from date, without interest. What sum ought Mr. Smith to pay you four months before the note is due, discounting at the rate of six per cent? Now, Smith ought not to pay you the whole amount at this time, but only a sum which if placed at interest will amount to \$144 at the expiration of four months. The amount of money paid is called the *present worth*, and the difference between this and the face of the note the *discount*. To find the amount Mr. Smith must pay, we find the interest on one dollar for the time the note has to run, and in this case we find it is \$.02. Then one dollar paid four months before the note is due is as good as \$1.02 at time of its maturity. Now Smith only owes you \$144, four months from now, and we have found that one dollar paid at this time is equal to \$1.02 when the note falls due; therefore, Smith will only pay you as many dollars as \$1.02 is contained times in \$144. The *present worth* of this note, four months before it is due, is \$141.17, and the discount \$2.83.

To find the discount on a note, we have the following rule: Divide the face of the note by the amount of one dollar for the given rate and time. The quotient will be the present worth. Subtract this quotient from the face of the note, and the remainder will be the discount.

BANK DISCOUNT

Is an allowance made to the bank for the payment of a note before it is due.

The amount received from the bank is called the *proceeds*. Bank discount is simple interest taken in advance, and the difference between Bank and true discount is the interest on the true discount for the given time. Thus the true discount on a note of \$255 for four months at 6 per cent is $\frac{255}{1.06} = \$250$, the present worth, which taken from the face, makes the discount \$5. The bank discount, or simple interest, is $\$255 \times .02 = \5.10 , making a difference of ten cents, which is equal to the interest on \$5, or the true discount for the given time.

When you have the face of the note given, to find the discount and the proceeds, find the interest on the face of the note for three days more than the given time. The result will be the discount. Subtract the discount from the face, and the remainder will be the proceeds.

When we have the proceeds given, to find the face of the note:

Suppose you wish to borrow \$124 of a bank, for what amount must you give your note, due three months from date, the rate of discount being six per cent?

One dollar due three months and three days from the present time, is worth as much less than one dollar to-day as the interest on one dollar for that time. The interest on one dollar for three months and three days is \$.0155, making the present worth of one dollar, \$.9845; and you must give your note for as many dollars as \$.9845 is contained in \$124, or, for \$125.95.

Hence the following rule: Divide the proceeds by the present worth of one dollar. The quotient will be the face of the note.

In partnership books an interest account is often kept with the members of the firm. To assist in the elucidation of such problems, the following is given:

Find the interest on each partner's investment from the date of investment until the date of settlement. Then find the interest on all sums drawn out, from date of drawing up to the date of settlement. The difference between these two results will be interest in favor of or against partner.

THE
MERCHANT'S GUIDE
THROUGH THE
Actual Business Department
OF
EASTMAN NATIONAL BUSINESS COLLEGE.

EASTERN INSTITUTION,.....*Poughkeepsie, N. Y.*
H. G. EASTMAN, LL.D.

WESTERN INSTITUTION,.....*Chicago, Ill.*
E. P. EASTMAN.

PUBLISHED BY THE COLLEGE.

Teach your Boys that which they will practice when they become Men.—AGESILAUS.

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1866.

Entered, according to Act of Congress, in the year 1866, by
H. G. EASTMAN,
in the Clerk's Office of the District Court of the United States for the Southern District of
New-York.

To the Student :

You are welcome to the *Practical Department* of this Institution. The record of your course thus far, shows that you have diligently and faithfully performed all the duties assigned you ; that at the commencement of this important study, you sought to gain the *respect* of the Teachers and *promotion* for yourself through Honest Endeavor ; that you have kept well before you the three requisites of *Honor* and *Wealth*, viz: *Honesty, Industry* and *Perseverance*.

Fully justified in your course thus far, your continuance in the path of *well-doing* is asked, so that when you have passed the final examination, you will *merit* and receive the *Testimonial* awarded to all *Good and Faithful Students*.

You are about carrying into *practice* your *Theoretical* knowledge, and it is supposed that you possess the *qualifications* necessary for the *proper* prosecution of your business. Ever bear in mind that no *enterprise* can be made a great and *lasting* success, unless it be conducted *systematically* as well as *honorable*. You are here enabled to gain a knowledge of *men* and *things*, which will be invaluable, and it can *nowhere* be acquired so easily and quickly as *here*, since, perhaps, never again will you enjoy the *association* and intercourse of so *large* a number of *men*, representatives from all parts of the *Continent*. You have already laid a foundation for an elegant hand-writing ; *strive* on and *success* is *certain*. This once acquired, is of itself a valuable capital at starting out on the great highway of life, and bespeaks for its possessor characteristic ability, and also gives evidence of other cardinal qualifications, viz : Carefulness, Method and Exactness.

As you are soon to go out into the Business world, I would impress upon your mind, thus early, that you may have it before you, this fact : That the great difference between men, between the feeble and the powerful, the great and the insignificant, is *energy—invincible determination*—a purpose once fixed, and then death or victory ! This quality will do any thing that can be done in this world ; and no talents, no circumstances, no opportunities will make a two-legged creature a man without it.

H. G. EASTMAN, LL.D.

GENERAL DIRECTIONS.

ON entering the *Practical Department* your attention is first called to the *Chronicle of Trade* and *Sample Depository*. In this depository you will find a sample of every *kind* and *quality* of Mdse. used in the College, and opposite each, the *price* or *worth* of the same at the date of its *first issue*.

On the day that these *samples* or goods were given a *value*, it will be seen that *Gold* was quoted at 140. This quotation is considered the *Base*, from which, as *Gold advances* or *declines*, you are to determine the *present worth* of *all Mdse.*

The price given these *samples* being their *true value* at that date, (*Gold 1.40*) you can at all times, by reference to the *Depository*, learn the *present value* of your goods, as *each Dollar's* worth is affected in a ratio corresponding with the rise or fall of *Gold*. When *Gold* is 144, then *all Mdse.* is worth four cents (*College Currency*) on every \$1.40 invested *more than* the *samples* are marked. When *Gold* declines from 140, say to 138, then *all Mdse.* is worth *two cents* on every \$1.40 *less* than the *samples*.

EXAMPLES.

Sold one yard Black Overcoating for \$4.00—*Gold* being 140. *Gold advances* to 147—same cloth worth \$4.20, (*Currency*.)

No. 2.—Sold Flour for \$10.00—*Gold* being 140. *Gold declines* to 133, same Flour worth \$9.50, (*Currency*.)

IMPORTANT.

Previously to purchasing your *Stock of Goods*, you must *carefully* study and *thoroughly* understand the contents of the *sample Depository*, so that, when comparing *your Goods* with the *samples* therein, you can *at once* correctly decide upon their *kind, quality, and present value*.

For all Mdse. purchased at time of commencing business, you must expect to pay the *Current* prices of that day.

Each partner admitted into firm must invest \$100.

No bill of Mdse. of less than \$100 will be purchased at the Emporium.

Cash will not be remitted with account of sales unless directed by guide.

Interest must be computed on all notes drawing interest.

Any person owing you, finding it necessary to adjust the debt before called for by guide, you will file the Bill with money, until the proper time of settlement arrives, then write up the transaction.

Commission of over one per cent (College currency) will not be allowed, unless by mutual agreement between the parties.

Close your Real Estate account so it will show a gain or loss.

All notes made payable at Bank *must* be met at maturity, otherwise the Bank will *exact* one per cent more than the original amount due.

All documents must be properly filed, and those requiring the Revenue Stamp must receive it.

All goods shipped must go through the Freight office.

Without previous permission from the Principal, you will *not* be allowed to deviate from the instructions laid down in this guide.

When you have note discounted at the Bank, see that it will not fall due on Saturday, Sunday, or a Holiday.

In doing business with the Bank, never leave until you are informed that your papers are drawn up correctly.

Read carefully every thing found in this work.

JUNIOR DEPARTMENT.

ACTUAL BUSINESS.

To facilitate the carrying out of what you have learned *theoretically*, there are located here, the Bank of Commerce, the Second National Bank, the American Express Co., the Metropolitan Insurance Co., the Exchange Office, the Real Estate Agency, and the Importers' and Jobbers' Department.

On assuming the duties of this, as well as the Senior Department, you are thrown upon your own *resources*; therefore, the record, or language of your transactions in *Trade*, (which is considered the *basis* of every thing else,) *must* be originated by you; and as Books of *original entry only*, are admitted into Court, it is *most essential* that you present not only a *true* but *comprehensive* history of your business, and it is none the less important that you, in all else, be *methodical, punctual, and industrious*.

S E T F I R S T.

You will now commence your transactions in accordance with the following order of duties, except that you will not be restricted to these alone, but may perform as many additional as the circumstances demand.

The Business of this Set is to be conducted in the city of Poughkeepsie.

ORDER OF DUTIES.

Carefully study and thoroughly understand the object and use of *Sample Depository*.

1. Lease a store from the Principal, or the Real Estate Agent, for the purpose of conducting the Domestic Dry Goods and Grocery Business, at \$40 per annum, payable quarterly in advance.

2. Open your books by placing your business card on the first page, and page them.

3. Enter in the Day Book a statement that you have leased a store, with amount of capital invested, and all particulars.

The College Currency purchased at the time of commencing this Set, represents your capital. All cash capital must be entered at once in the Cash Book.

4. Engage some person as an Accountant, and four others as Clerks, at \$2 per day, making the entry in the Day Book simply as a memorandum.

5. Open an Account with the Bank by depositing Fifty or One Hundred Dollars.

You will keep no Account with the Bank in Leger, this being kept upon the stub of the Check Book, as per form No. 2.

Whenever you part with College Currency, or Miles., you must receive in return 1 per cent in real money, or its equivalent in Miles., or College Currency.

No real value is attached to Notes, Checks, Drafts, Bills Receivable or Bills Payable.

6. Pay with check the Real Estate Agent \$10 for one quarter's Store rent.

This and all other merely cash transactions are entered only in the Cash Book.

7. Order by letter from the Importers and Jobbers, a Stock of Goods, from one to two hundred dollars' worth.

For form of Letter see frame No. 1.

8. Pay the Real Estate Agent \$10 for advertising your business with check.

9. Effect an Insurance on your Stock of Goods, and have the Policy properly filled out and executed by the Insurance Agent. Pay the premium in cash.

10. Purchase one ton of Coal for use of Store. Pay for same with check on Bank.

Purchase the Coal of some teacher.

11. Have Three endorsed notes discounted at Bank, and payable to the order of the endorser. All endorsements must be *bona fide*, as the endorser will be held for the payment in case the maker fails.

One Note at 3 mos., for such an amount that the proceeds shall be \$8, for which receive Cash.

One at 3 mos., for such an amount that the present worth shall be \$12, for which receive a Certificate of Deposit.

One at 3 mos., the net of which shall be \$37, which have placed to your credit at Bank.

Interest on the above Notes to be cast at 7 per cent, allowing three days' grace.

The net of the Note placed to your credit at Bank must be entered on the stub of the Check Book, as though the amount had been deposited.

The total amount of the face of the Notes must be entered upon the Dr. side of the Cash Book, and the amount of the Discount on the Cr. side.

12. Purchase a Set of Exchange at the Exchange office.

Enter the above in the Cash and Bill Book, making Bills Rec., Dr. for the face only, and Premium, or Interest and Discount for the balance. The face of One Pound Sterling is estimated at \$144 4-9, dropping always fractions.

Having passed through all the aforesaid preparatory transactions, you will now commence making purchases and sales according to the following:

ORDER OF BUSINESS.

- 1 Buy for cash Mdse. amounting to \$50 or \$100.
- 2 Sell for cash " " " \$50 or \$100.
- 3 Buy on acct. " " " \$40.
- 4 Sell " " " " \$30.
- 5 Buy for check " " " \$50.
- 6 Sell " " " " \$45.
- 7 Buy for note at 2 mo. Mdse. am'tg to \$70.
- 8 Sell " " " " " \$80.
- 9 Buy " Endorsed note " " " \$50.
- 10 Sell " " " " " " \$40.
- 11 Buy for Draft 2 days' sight Mdse. am'tg to \$30.
- 12 Sell " " " " " " " \$40.
- 13 Pay No. 3 on acct. with Certified Check, \$40.
- 14 Receive from No. 4 Certified Check, \$30.
- 15 Ship to some Merchant, to be sold on your acct. and risk, Mdse. amounting to \$60.
- 16 Receive from some Merchant a consignment of Mdse., to be sold on acct. and risk of consignor.

Sell the goods belonging to the consignment received above, or assume them.

Inventory the goods on hand, and carry them into Set 2.

Settle with your clerks, and make an entry in the Day Book of the amount due them.

Journalize the above, making Salary acct. Dr. to Help acct., as per form No. 8.

The notes discounted at Bank must be redeemed by being charged to your acct. when due, and deducted from the amount deposited to your credit at Bank, and entered upon the credit side of Cash Book.

The Certificate of Deposit received from the Bank can be deposited as Cash upon being properly indorsed.

Pay with cash your Store Help for services to date.

Charge the above to Help acct. in the Cash Book, entering the name of each clerk in the explanation column, and place opposite each the amount paid.

Have all notes held by you against other parties collected by Bank of Commerce, or Second National Bank. Have Bank Pass Book written up at the Bank with which you transact your business.

You will receive a Certified Check for the amount of cash remaining to your credit at the Bank, and carry the same with you as an asset into Set 2.

You will Journalize and Post daily, and take Trial Balance at the close of each day's transactions, that you may know whether your work is correct or not.

NOTE.—When Journalizing from the Day Book, you will simply place a check mark to the left of the account, and write the page of the D. B. to the left of the first line of the entry in the Journal. In posting from the Journal or Cash Book, check off the account and place the page of the same in the folio column of the Ledger. (See Form.)

SENIOR DEPARTMENT.

ACTUAL BUSINESS.

Your *special attention* is demanded to the following instructions :

The Stationer of the College at his office in the Actual Business Building and his clerks will issue and redeem all College currency ; though the redemption of this need not be confined to one individual, as Bankers, Brokers, and those doing a Banking Business, are empowered by the Secretary to act in this capacity, when they desire. The real value of a currency dollar is one cent ; at this it will be redeemed.

SPECIAL.—All Gold issued by the Secretary will be given out at the Gold quotation of the date when issued, and whatever its value or quotation when offered for redemption, the same will be paid and no more. (It is optional with the Student whether he deal or not in gold.)

ARTICLE 1ST.—In this, as in the *Theoretical Department*, all *Documents* requiring the *Internal Revenue Stamp* must receive it as the Law directs. The party using or affixing the Stamp, shall write upon it the initials of his name and the date when used. Such documents without the stamp, shall not be considered *valid*.

ARTICLE 2D.—The payment for Insurance, Freights, Commissions, Expressage, Taxes, Rents, Interest, Salary, etc., as in the past, must be made without Loss or Gain to either party. The receiver of such *dues*, must remit back to the payer an equivalent, or an amount equal to the real value of that which he receives to satisfy the indebtedness.

EXCEPTION.—When interest is paid on a *security*, the purchaser has *value received in the security*, as it will be *redeemed* at what it *cost* him. (See Art. 9.)

ARTICLE 3D.—On Saturday of each week, or at such time and place as the Principal shall appoint, the Stock Board will assemble, when such Stocks or Securities as are offered for sale will be sold to the highest bidder. (The appointment of this particular day does not, however, prohibit private sale.) You are expected to buy and sell whenever an opportunity is offered.

ARTICLE 4TH.—Confiscated property, or that of Bankrupt firms, will also be disposed of at public sale, at the option of the Principal.

ARTICLE 5TH.—In the sale of *Securities* at the EASTMAN STOCK EXCHANGE, a certain *Bond* may sell at a certain price, *Flat* or *Regular*.

This, in Brokers' parlance, means that the unpaid interest goes with Security or Bond sold, unless otherwise specified. If Regular, the purchaser pays for the accrued interest on securities purchased in addition to the price bid for the face. Regular is the rule, Flat the exception. *In our sales, however, the interest must always be paid in addition to the face.*

ARTICLE 6TH.—The interest on all interest-bearing securities must at all times be computed from the printed date of the instrument, and at the rate per cent specified therein.

STOCK EXCHANGE.

ARTICLE 7TH.—The Gold market shall in *no wise regulate* the *value* of any *Security*. The following instructions will guide you in the disposition of all property enumerated under this head. (* See our definition of the word *Security*.) All Securities shall possess a *real value* of one cent on a dollar, and each security (whether properly interest-bearing, or dividend stock) shall draw *interest* from the date, and at the rate per cent specified on its face. Whenever a Security is sold or transferred, the interest must be computed on its *face*, and the said interest then due on the security shall be given the *seller* by the *purchaser*, in addition to its stipulated value or face.

* In our use of the word *Security*, we include *only* U. S. Stocks, and those of Banking, Steamboat, Telegraph, Insurance, and Railroad Companies.

EXAMPLE.

Purchased one share of First National Bank Stock, the face of which is \$10. This Stock was issued on the 10th of May, 1865. Date of my purchase, 20th of July, 1865. Interest 7 per cent.

Y.	M.	D.
1865,	7	20
1865,	5	10
0	2	10

The interest on \$10 for two months and ten days, at 7 per cent, is 0.136 or 14 cents, which I add to \$10, making \$10.14 currency, which I pay the seller.

Note.—In finding the time, always reckon from the date of the Instrument to the date of sale, and not from date of purchase to date of sale. Then find the simple interest on the face of the instrument. Important.—These securities shall at all times be worth to the Legal holder what they cost him, providing no error be made in the payment for same. (See Article 10.)

In case of an error, a proper correction is all that is required to reinstate the *validity* of the Instrument.

ARTICLE 8TH.—It shall be the duty of the *holder* of any security, to present, and have the same recorded (at time of purchase) in the Books of the Company or Association.

ARTICLE 9TH.—Each security shall bear upon its face the *College Stamp*; without this it *shall not* be considered a *valid* document.

FIRST SALE AND FINAL REDEMPTION OF SECURITIES.

ARTICLE 10TH.—The Principal of the College is President of each company, and is also Agent for the *first sale* of all securities to be issued, and *finally*, said securities will be redeemed by *him* without *loss*, he paying the interest, *plus* the face. The first sale will take place at the *Stock Exchange Room*. (See advertisement.)

D I V I D E N D S.

ARTICLE 11TH.—As in the past, each *Banking, Steamboat, Insurance, Telegraph, and Railroad Company* shall make out, in the usual manner, a monthly report of its financial condition, and if the committee, which shall be chosen from the Directors, find the gain sufficient to warrant, a dividend shall be declared and published. (See instructions in the offices of the respective companies.) These instructions are addressed only to those doing Office or Banking business.

ORDER OF BUSINESS FOR SET SECOND.

The business of this set will be conducted at 133 State street, Baltimore, Md.

You will keep an acct. with the First National Bank.

All packages should be received or forwarded through Eastman College Railroad office.

You will continue the Wholesale and Retail Domestic Dry Goods and Shipping Business, but, as shown below, with an increased capital, for which purpose you will take into the Firm a new partner.

Open your Day Book with the Assets and Liabilities of Set 1st, as shown by the Balance Sheet and Statements. Open your Cash Book, with amount of cash on hand at close of set first, and your Ledger, by posting under the proper headings the assets and liabilities shown in your first Day Book and Journal entries; after which take a Trial Balance. If correct, you are ready to commence business transactions.

Buy of Real Estate Agent, a store and fixtures by giving in payment your note for one half, payable at his office, and cash for the balance.

Engage a Salesman and a Porter.

Admit into the firm a partner with Cash capital of \$100, who shares equally the Gains and Losses.

1st.—Order by letter from Merchants' Emporium, a Bill of Mdse., not less than \$100. Give in payment your certified check on Bank of Commerce or 2d National Bank for the amount the Bank owes you, and Cash for the balance.

2d.—Effect an insurance on Store, Fixtures, and Merchandise.

3d.—Deposit in 1st National Bank.

4th.—Receive Consignment of Mdse., paying freight and carriage in cash.

5th.—Have your endorsed note discounted at the Bank with which you deal, for the net of which receive Certificate of Deposit.

6th.—Have Bill of Exchange discounted at Exchange and Collection Office.

7th.—Make Adventure Co. to Merchants' Emporium, Vassar street.

8th.—Purchase Bill of Exchange.

9th.—Sell consignment received as per No. 4, for a joint and several note.

10th.—Sell Mdse. on Acct.

11th.—Buy a Bill of Mdse., and give in payment a draft on the person owing you per No. 10.

12th.—Have your note discounted, and the net placed to the credit of Consignor per No. 4.

13th.—Buy on acct. Mdse. of some person other than No. 10.

14th.—Make an Adv., paying Freight in advance.

15th.—Receive a Mdse. Co. and render acct. sales of it in set 3d.

16th.—Redeem note per No. 5 by having same charged to your acct.

17th.—Sell Bill of Mdse. and receive in payment Draft at 3 months' sight.

18th.—Redeem note discounted per No. 12, with cash.

19th.—Receive acct. sales of Adventure as per No. 14. Consignee retaining proceeds.

20th.—Pay for advertising.

21st.—Receive acct. sales of Adventure Co., as per No. 7.

22d.—Make Adv. Co., which you will also close in Set 3d.

23d.—Have note discounted at Bank and the net placed to your credit.

24th.—Collect Bill of damages of Rail Road Co., on shipment made, as per No. 22.

25th.—Pay your Help, in cash, for services to date.

26th.—Take an Inventory of goods on hand at present worth.

**Note.—See General Directions before closing.
Remember Real Estate belongs to first Partner.**

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ORDER OF BUSINESS FOR SET THIRD.

Your place of business in this Set will be at 370 Broadway, New-York, where you will find the Eastman College Bank, Mutual Insurance Office, Real Estate Agencies, and Exchange and Collection Office.

Instead of both Journal and Day Book, as in your previous Sets, you will, in this, use but one, the Day Book and Journal combined, (see form,) which you will open by a Journal entry of

your Assets and Liabilities of Set 2d, recording the corresponding Day Book Entry directly beneath, which must be written briefly, and yet as explicitly as possible, and, like the explanation in your Cash Book, must be at least one third smaller and without shading, as will be more fully shown by reference to forms.

The same branches of business will be carried on, as in Baltimore, with an increased capital, by two additional partners, whom you will admit to the firm on condition that they share, in common with yourself and former partner, the gains and losses on all Adv. Cos., Mdse. Cos. and Advs. forwarded or received. You are to be allowed one per cent per month for use of store, and the balance to be divided in the proportion of 7, 4, 3, and 2. Take out Policy of Insurance.

1st.—Sell Real Estate in Baltimore, and purchase it in New-York.

2d.—Engage Salesmen and a Porter.

3d.—Receive Mdse. Co., giving Cash in payment for freight.

Have note discounted, for net of which receive certified check.

4th.—Sell Mdse. Co. Rec'd., as per No. 15. (Set 2d.)

5th.—Have note discounted, and receive for net a draft on 1st National Bank. Purchase Bill of Exchange.

6th.—Buy at Merchants' Emporium a bill of Mdse., and give in payment Draft on 1st National Bank, Rec'd. as per No. 5, for one half, and cash for balance.

7th.—Render acct. sales of Mdse. Co., sold as per No. 4, and remit your note for the proceeds.

8th.—Receive acct. sales of Adv. Co., shipped per No. 22, (Set 2d) and receive endorsed note for proceeds.

9th.—Have note discounted, and net placed to the credit of creditor per No. 13. (Set 2d.)

10th.—Redeem note discounted as per No. 5, by giving sight draft on some Student having a deposit in the same bank at which your note was discounted.

11th.—Redeem note discounted per No. 9, with a new note.

12th.—Purchase, jointly, partner D.'s interest in the firm, paying him cash for one half, and the balance on acct. until the opening of the Complete Account.

13th.—Make Adv. Co. to Merchants' Emporium.

14th.—Make Adv. Co.

15th.—Sell Mdse. Co., received per No. 3, and render an acct. sales, retaining proceeds.

16th.—Sell interest in Adv. Co. per No. 14, to some person before receiving acct. sales.

17th.—Buy interest in Adv. Co.

18th.—Redeem all notes due at the Bank, and let all other Notes and accts. due remain until the opening of Complete Acct.

19th.—Ascertain the amount due your clerks and other employees, and pay them also in Complete Acct., keeping a separate acct. with each, instead of the help acct. as heretofore.

20th.—Take an Inventory of all effects at present worth, and a distinct inventory of all Mdse. belonging to Mdse. Cos. or to Consignments.

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COMPLETE ACCOUNT BOOK.

ORDER OF BUSINESS.

Open the Books of this Set at No. 47 South street, St. Louis, Mo.; posting directly into your Ledger, under the proper headings, the Assets and Liabilities of Set 3d as shown by Balance Sheet and Statement.

Admit into the firm two partners with a cash capital of \$100 each, upon the following conditions: Partner A, to receive a salary of \$75 per month; B, \$60, and C, \$50, and the gains and losses to be divided equally among the whole partners.

Draw up articles of co-partnership, properly executed and with the above conditions, which you will present for approval.

1st.—Take a Trial Balance of your Ledger as now opened.

2d.—Sell Real Estate in New-York and purchase in St. Louis, Mo., for which make out Deeds and have same properly executed and recorded. Renew Policy of Insurance.

3d.—Buy Mdse. for note at 3 months.

4th.—Sell Mdse. on 3 months' credit.

5th.—Sell Mdse. for note.

6th.—Make partial payment on note per No. 3, and have same properly endorsed thereon.

7th.—Buy Mdse. for Cash.

8th.—Receive partial payment on note, and endorse the same thereon.

9th.—Buy a Bill of Mdse., and give Cash for one half payment and the balance a credit of 3 months.

10th.—Buy Mdse. on credit of 3 months.

11th.—Sell Mdse. for Cash.

12th.—Deposit in 1st National Bank.

13th.—Make a joint Adv.

14th.—Receive Mdse. Co.

15th.—Pay Creditor No. 9 with note at 2 months.

16th.—Partner "C," doubting the ability of customer per No. 4 to pay the amount of his indebtedness, offers to partner "B" his entire interest in the account of said customer, for one half its face, which partner "B" accepts by paying him Cash from his Private Acct.

17th.—Receive acct. sales of Adv. Co. as per No. 13, the Consignee retaining the proceeds.

18th.—Pay Creditor per No. 10, by giving sight Draft on Consignee per No. 13.

19th.—Sell Mdse. Co. per No. 14, for a joint and several Note.

20th.—You find it necessary to compromise with customer per No. 4, by receiving 90 per cent of his indebtedness as satisfaction in full, for which give him a Receipt.

21st.—Have your note discounted at the Bank, and the net placed to your credit.

22d.—Close this Set, leaving all accounts not required to be settled by the foregoing directions, to be closed in your Jobbing Set.

23d.—Take Balance Sheet and Statements. Present the Set for examination.

JOBBING BUSINESS.

ORDER OF TRADE.

Open this Set at 430 Howard street, New-Orleans, La., by a Journal entry of the Assets and Liabilities, as exhibited by the Balance Sheet and Statement of Complete Account Book. Post the same to the Ledger.

The form of the Journal is similar to that heretofore used in the 3d Set, and the explanations or Day Book entries must be recorded in the same style.

The total footings of the Invoice Book will form the entire debit of Mdse., and will also form one debit of a Journal entry; the total footings of the debit side of the Cash Book, another debit of the same Journal entry, and the total footings of Bills Receivable from the Sales Book will form the third and last debit of the Journal entry. These are Dr. to Sundries. The Sundries are the items already posted, as shown hereafter. The credits of the Journal entry will be found by the total footing of the credit side of the Cash Book, the total footing of the Sales Book, and the total of Bills Payable, as taken from the Invoice Book. The Debit for these is sundries, as shown above. This Journal entry will not show the totals of Bills Receivable and Payable, but will include only those found in the Invoice and Sales Book. All other notes are already in the Journal. (See Forms.)

In the Invoice Book are entered Receipts of Mdse. Only the personal accounts are posted from this, all others being transferred to and posted from the Journal, as shown above.

In the Sales Book are entered all sales of Mdse., therefore Adventures, both on joint and sole account, are entered in this Book, and considered as personal accounts, and posted from this, the total footings being transferred to and posted from the Journal, as explained above.

The form of the Cash Book is the same as that of the Third Set of Actual Business. All items are posted from this Book, except Mdse.

Take Trial Balance of your Leger as now opened:

1st.—Admit into the firm two partners with a cash capital of \$100 each, on condition that they defray all the expenses properly classed and considered as Store Expense, and the gains and losses

to be divided in proportion to the amount each partner has in the firm at time of closing. (See pages 25 and 26.)

- 2d.—Sell Mdse. for cash.
- 3d.—Buy on 3 months' credit.
- 4th.—Sell Bill of Mdse. for a note at 4 months.
- 5th.—Sell Mdse. on 3 months' credit.
- 6th.—Take out a Policy of Insurance.
- 7th.—Have Bill of Exchange discounted at the Exchange and Collection office.
- 8th.—Pay for advertising in the New-York Tribune and Pough-keepsie Daily Eagle.
- 9th.—Hire five Clerks and a Porter.
- 10th.—Buy Mdse. for cash.
- 11th.—Buy Mdse. and give in payment your note at 4 months.
- 12th.—Purchase Bill of Exchange.
- 13th.—Exchange notes for mutual accommodation.
- 14th.—Make a joint Adv. to the Merchants' Emporium and receive for your proceeds a bill of Mdse., paying the difference, if any, in cash.
- 15th.—Receive Mdse. Co., which you will sell and close up immediately.
- 16th.—Partner B invests in the firm a note as additional capital.
- 17th.—Receive a consignment.
- 18th.—Partner B, sells partner C, on account, for one half its value, all that portion of his capital produced by the investment of note per No. 16.
- 19th.—Make a joint Adv. and require return immediately.
- 20th.—Settle up all accounts and transactions due, and carry all others to the Forwarding and Commission Set.

FORWARDING AND COMMISSION BUSINESS.

The business of this Set will be conducted at 321 South Water street, Chicago, Illinois. Open your Books with the Assets and Liabilities of your Jobbing Set, as shown by Balance Sheet and Exhibits.

The business of the firm will be conducted by the same partners as in your previous Set, but under a different contract.

The gains and losses in this Set will be divided between the partners in proportion to the average investment, allowing the partners six per cent for all investments. Draw up articles of agreement in accordance with the terms above stated, and have the same properly executed.

1st.—Deposit in Eastman College Bank.

2d.—Receive a consignment to be sold on account and risk of shipper, and pay freight with cash.

3d.—Take to your account one half of the goods belonging to consignor per No. 2.

4th.—Receive a Mdse. Co., paying freight in cash.

5th.—Buy Mdse. for check.

6th.—Make a joint Adv. of Mdse., received per No. 4.

7th.—Make Adventure Co., paying freight in advance.

8th.—Make a joint Adv. paying freight in advance by your check on Eastman College Bank.

9th.—Partners B and C draw from the firm one third of their investment.

10th.—Execute a Mortgage on Real Estate, and have it properly recorded, paying charges for the same.

11th.—Receive account sales from Adventure Co., No. 7.

12th.—Make a joint Adv. to Importers and Jobbers in Vassar street.

13th.—Sell Mdse. for check.

14th.—Make a joint Adv.

15th.—Have your note discounted and net placed to your credit.

16th.—Receive a consignment to be sold on account and risk of shipper.

17th.—Make an Adv. of consignment per No. 16.

18th.—Render account sales of all Mdse. Cos. and Consignments not closed, and remit proceeds.

19th.—Receive all amounts due you on Adventures, both joint and sole, and dispose of all property on hand.

20th.—Redeem all notes due at the Bank or elsewhere.

21st.—Settle all accounts due.

22d.—Average the investments of each partner, and compute the interest due each on the same. (See pages 21 and 22, Example 3d.)

You will now close this Set in the same manner as previous ones. Having passed examination in what you have completed, you will be admitted to the Office Department, where you will find the Railroading, Insurance, Exchange, and Collection Offices, Emporium and Banks, each with proper directions for your guidance.

ADVANCED SENIOR DEPARTMENT.

On presenting your "Card" with satisfactory testimonials of improvement to the Superintendent of Offices and Emporiums, you will be assigned a position as Delivery and Collection Clerk, or Assistant do., in the same.

RAILROAD OR EXPRESS OFFICE.

Here you will be assigned to the position of Receiving and Forwarding Clerk and Cashier, or Assistant Supt.

In each of these positions, as well as those in the other division of this Department, you will find printed directions for your guidance, which, if studied closely, will enable you to perform correctly all duties pertaining thereto.

Dividends will be declared at specified periods, and all the minutiae of operation of a regular Joint Stock Company performed, requiring on your part careful study and no ordinary effort to understand.

Every thing being satisfactory, you will next be advanced to the

INSURANCE OFFICE.

Fire, Marine, and Life Insurance are here effected, and general, special, and open Policies granted.

You will in succession, act as Agent, Secretary, and President, being careful to closely observe special directions, and forms relative to the recording, etc., of the various transactions.

Completing this successfully, your next promotion will be to the

EXCHANGE AND COLLECTION OFFICE,

where you will become familiar with the exchange of Currencies between the different Countries, and the various other transactions involved in a regular Brokerage business.

Passing a satisfactory examination in these and the other Offices, and your course so far indicating good workmanship and a thorough knowledge of every thing gone over, next entitle you to promotion to the

**MERCHANTS' EMPORIUM AND IMPORTERS' AND
JOBBERS' DEPARTMENTS.**

Each of these is the representative of one of the largest business houses in New-York, having four partners and a full corps of clerks and other operatives.

Beginning as a sub-clerk, you will be advanced in regular order through the various positions of head clerk in the different Departments, and junior, third, and second partners to Cashier, or General Superintendent of the establishment.

Carefully examine the Special directions for each operative, as in that capacity you occupy the various positions. Let neatness and accuracy characterize every thing you do.

BANKING DEPARTMENTS.

In this you will find the First National Bank, Eastman College Bank, Bank of Commerce, and Second National Bank, located respectively in New-York, Baltimore, and Poughkeepsie.

Applicants are admitted only on Monday, Wednesday, and Friday of each week, when, having completed the Offices and the Emporium, and presented to the Superintendent their "Card" with satisfactory evidence of advancement, they will be assigned a position as Third Book-Keeper, holding in regular turn the offices of Second or Receiving Teller, Discount Clerk, Collection Clerk, or Note Teller, First or Paying Teller, Second Book-Keeper, First Book-Keeper and Cashier. Special attention is called to the printed instructions for each operative, as they *must be adhered to, to the very letter.*

Peruse carefully every thing relative to your duties, observe closely the form of the different Books, etc., understand thoroughly every transaction before you attempt to record it, and let your work be *neat* and *accurate* in every particular.

Before copying Bank and Emporium Books, you will be required to present to the Principal of the Senior Department, for his approval, specimen sheets of Figures, Leger Headings, and Business Penmanship.

Your record here is your valedictory ; it foretells your future ; by it we measure your grade and gauge your success in life.

All who complete this course in a satisfactory manner, on or before Wednesday of each week, will be admitted to the Graduating Class.

Passing creditably the regular examination, (75 per cent of all questions being answered,) you will receive the Diploma of the College, hoping that, with it as a passport, your cause may be ever onward in the paths of industry and well-doing. Now bear in mind that the great art of commanding in this country is to take a fair share of the work. Put your sole trust in your own strength of body and mind. Always do what your conscience tells you to be a duty, and leave the consequences with God.



P A R T N E R S H I P .

Partnership is the result of a contract or agreement between parties, who agree to the combination of property or labor, or both, for the purpose of a common undertaking and the acquisition of a common profit. The money invested is called *Capital*; the Loss or Gain shared, the *dividend*. In either case the division between the partners is made in accordance with the articles of agreement, which should always be *plain* and *unequivocal*.

The following rule is given where each partner shares in gains and losses in proportion to his investment :

RULE.—As the whole capital is to each man's capital, so is the whole gain or loss to the proportionate share of each.

EXAMPLE 1st.—D, E and F entered into partnership; amount of capital, \$8500; to which D contributed \$2000, E \$4000, and F \$2500. The profits were \$6180. What was each man's share?

$$\begin{array}{rcl} 8500 : 2000 & :: & 6180 : 1454.117 \quad D. \\ 8500 : 4000 & :: & 6180 : 2908.235 \quad E. \\ 8500 : 2500 & :: & 6180 : 1817.647 \quad F. \end{array}$$

The agreement between parties is often such that they are allowed to employ their capital for different periods of time, shar-

ing the gains or losses in proportion to the time it is invested. In this case, to find the share of each :

RULE.—Multiply each man's capital by the *time* it is employed ; then say, as the sum of the products is to each product, so is the whole gain or loss to each partner's share.

EXAMPLE 2d.—G, H and I engaged in the shipping business ; G invested \$700 for six months ; H, \$800 for ten months ; I, \$1200 for two months. The profits were \$480. What was each man's share ?

$$\begin{array}{ll} 700 \times 6 = 4200 & 14600 : 4200 :: 480 : 138.082 \text{ G.} \\ 800 \times 10 = 8000 & 14600 : 8000 :: 480 : 263.013 \text{ H.} \\ 1200 \times 2 = 2400 & 14600 : 2400 :: 480 : 78.904 \text{ I.} \end{array}$$

It is customary in many co-partnerships for the partners to receive interest on their average capital, and share the gains or losses remaining after deducting such interest in proportion to their average investment at the date of closing business. The following is given to assist in the solution of such problems.

EXAMPLE 3d.—J and K join in an enterprise. The contract reads that each shall receive interest on his average investment, at the rate of 7 per cent, and that the loss and gain be shared accordingly.

	J.		K.	
	Draws out.	Invests.	Draws out.	Invests.
April 1,	\$400	Mar. 1, \$8000 April 9, 4000	Mar. 21, \$900 May 8, 100	March 1, \$9050

At the expiration of four months from March 1st, they have gained \$2000. Now to what portion of the gain is each entitled ? What interest is due each ? and what the present capital of each ?

J's.

$$\begin{array}{l} \$8000 \text{ for 1 month, is}=\text{to } \$8,000 \text{ for 1 month.} \\ \$7600 " 3 " \text{ is}=\text{to } \$22,800 " 1 " \\ \$4000 " 2\frac{7}{16} " \text{ is}=\text{to } \$10,800 " 1 " \end{array}$$

$$\begin{array}{r} 4) 41,600 \\ \hline 10,400 \end{array}$$

\$41,600 for 1 month is=to \$10,400 for 4 months, which is J's average capital invested.

Interest on \$10,400 for 4 months at 7 per cent is \$242.666.

K's.

\$9050 for $\frac{7}{12}$ month is = to \$ 6,335 for 1 month.

\$8150 " $1\frac{1}{2}$ " is = to \$11,410 " 1 " "

\$8050 " $1\frac{8}{12}$ " is = to \$15,295 " 1 " "

4) 33,040

\$8,260

\$33,040 for 1 month is = to \$8260 for 4 months, which is K's average capital invested.

Interest on \$8260 for 4 months at 7 per cent is \$192.733.

To find the gain, say, as the

18,680 : 10,400 :: 1564.60 : 872.017 J's gain.

18,680 : 8,260 :: 1564.60 : 692.583 K's "

J's net investment, \$11,600.

" " Interest, 242.666.

" " Gain, 872.017.

Present capital, \$12,714.683.

K's net investment, \$8050.

" " Interest, 192.733.

" " Gain, 692.583.

Present capital, \$8935.816.

